FINANCIAL TIMES

No. 27,661 Wednesday September 13 1978 **15p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.0; GERMANY DM 2.0; ITALY L 500; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 20; SPAIN Pts 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

NEWS SUMMARY

ERAL

abour ces l ebate

r Ministers are facing an rassing session at next 's party conference in ool when the issue of d sanction-busting by 1 oil companies now seems n to be aired.

party's international ittee decided yesterday to mend that an emergency ent on the subject should sented to conference. The e is to attack BP and but the role of leading ers is likely to be raised. Page

Rhodesia, a split has up between the Patriotic co-leaders over whether or e proposed all-party con- should go ahead. and 18

t mortem Bulgarian

id Yard said a post-mortem ılgarian defector Georgi had shown "no natural of death." Markov died ondon hospital five days elling friends he had been d in the thigh with an lla.

e have been joined by the investigation. Mar- . worked for the BBC's ıs service.

hoid cases firmed

phoid cases have now onfirmed in the UK, in- three people who re- returned from a cruise a Russian ship.

t 20 close contacts of the old Portsmouth boy be- o be suffering from Lassa ave been traced.

nquest on the Midlands x victim Mrs. Janet opened in Solihull behind doors amid strict safety ions. Only three people resent and all had been ted in advance.

ehouse 'no'

Stonehouse, the former Minister serving a seven- ail sentence, has been parole. Stonehouse was he news in Hammersmith l, London, where he is ing from a heart attack.

ds worse

Indian flood disaster ed with thousands of being evacuated when the and Jamuna rivers burst anks and flooded villages orth. About 160,000 were to flee.

r burglary

are investigating a break- the Conservative Party's h office in Queen Street, Scotland Yard said was taken and it was the thieves were looking ı.

ation plans

o build two nuclear power in the UK could be to go before public es late next year. Sir Hill, chairman of the Energy Authority, said l talks were going on ı the authority, the ing boards and the Elec- Council. Back Page

ly . . .

een Mother is to succeed e Sir Robert Menzies as arden of the Cinque Ports.

of 78 lawyers have now ared in Argentina, accord- group of lawyers in exile s.

Colombian Interior Minis- ael Pardo Buelvas was shot Bogota.

armed men stole 00,000 (£121,000) from the Suisse Bank in Basle.

sh boat skipper lost his after falling overboard during a teetotallers'

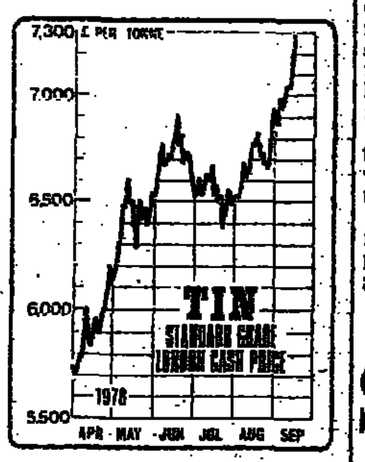
BUSINESS

Equities up 2.1; Gilts ease

● EQUITY markets, after a firm start, were overshadowed by the CBI report that the Government's 5 per cent wage restraint policy would be challenged by claims of 20-30 per cent. The FT 30-share index nevertheless closed 2.1 up at 526.4, the highest level for nearly a year. The FT Actuaries All-Share index improved 0.6 per cent to an all-time peak of 239.59.

● GILTS were also influenced by fears about the wages outlook. The Government Securities Index closed 0.04 down at 70.40.

● TIN prices surged up again on the London Metal Exchange with fears of a new supply



squeeze. Standard grade cash tin gained £165 to £7,290 a tonne, close to record levels reached last year.

● GOLD rose $1¼ to close at $208¾. The New York Comex September settlement price was $207.30 ($206.20).

● STERLING rose 25 points to close at $1.9455, its trade-weighted index improving to 62.6 (62.5). The dollar's depreciation narrowed to 8.7 per cent (8.8 per cent). The Canadian dollar touched a record low of 85.85 U.S. cents, before closing at 85.97¼ U.S. cents (86.12½). The Bank of Canada increased its bank rate from 9 to 9½ per cent as a direct support measure. Pages 4 and 26

● WALL STREET closed 1.30 down at 906.44.

● U.S. Treasury bills were: threes, 7.695 per cent (7.659); and sixes, 7.793 per cent (7.742).

CBI cautious on claims

● CBI declared cautious optimism that the high level of pay claims so far submitted under Stage Four did not mean that the 5 per cent limit was in immediate danger. Back Page

● BRITISH AIRWAYS has arranged a loan of $151.2m (nearly £78m) through the Export-Import Bank of Washington, to help finance its purchase of 19 Boeing 737 short-range jet airliners. Back Page

● STOCK EXCHANGE made a profit on traded option business for the first time in August, Option Committee chairman Mr. Peter Stevens said. Page 8

● MOTOROLA, the U.S. electronics group, announced plans to expand semiconductor manufacture in the UK. Back and Page 23

COMPANIES

● CABLE and Wireless Group pre-tax profit fell from £45.5m to £35.8m in the year ended March 31, 1978. The company is also negotiating a series of telecommunication contracts with the Middle East.

● RECKITT AND COLMAN pre-tax profits rose by 9.9 per cent to £31m in the half year to July 1, 1978. Page 24 and Lex

Toolmakers' strike peace hopes as expulsion is lifted

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

The threat of an immediate strike by BL Cars' toolmakers was lifted last night following a decision by the Amalgamated Union of Engineering Workers to reverse the expulsion orders against 32 rebel toolmakers.

The Birmingham East District Committee of the AUEW offered an escape route to the men at SU Fuel Systems, who have staged a six-week strike in defiance of their union. But the three-hour meeting broke up in some confusion, and it was not clear if the rebels would take up the offer.

The district committee decided to ask rather than instruct the men to return to work, to allow the full-time union officials to "pursue their claim to its logical conclusion."

This is a significant conciliatory gesture because it has been the previous failure of the toolmakers to obey union "instructions" that has caused the demand for expulsion.

Mr. Ken Cure, secretary of the district committee, said the SU men had not had time to consider the verdict and would be notified in writing. "But we are hoping for a suitable response from the membership."

Mr. George Regan, leader of the 32, refused to be drawn on whether the men would accept the committee recommendation.

"The decision will be for the membership to decide. I am prepared to say that they are going back to sleep on it."

For his part, Mr. Regan insisted that he would attend no meeting to consider the recommendation. "I have broken off a fishing holiday in Wales to attend this meeting. I am on my way back to Wales."

Other members of the 32 seemed unclear, as they left the engineering union headquarters in Birmingham last night, whether the strike would be prolonged.

Certainly, earlier in the day Mr. Regan had made clear, after two hours' discussions with senior BL management, that no offer had been made to justify a return-to-work recommendation.

The SU men demand pay parity with toolmakers at the nearby Rover plant. But the domestic issue has become part of the wider campaign by toolmakers for improved differentials.

The threat of expulsion of the SU men has mobilised support for Mr. Roy Fraser, whose unofficial tool-room committee staged a damaging four-week strike by half of BL's 6,000 toolmakers last year.

The failure of Mr. Regan to give a clear lead last night suggests some doubt about the support for the dispute. There is certainly resentment among other engineering union workers at SU Fuel Systems that their toolmakers are being used for a wider political campaign.

Mr. Ken Davies, the convenor at SU and a member of the district committee, said last night: "The 32 are being used as puppets for Fraser, and there is a feeling at the plant that the strike is being prolonged as a means of achieving separate bargaining rights."

● Ray Perman writes: Machinists at the Bathgate truck and tractor plant in Scotland voted yesterday to take their strike into its sixth week, ignoring the warning from BL Vehicles that £50m investment plans could be at risk.

Less than a third of the 1,500 men went to the meeting and they took only 20 minutes to decide to continue the dispute. The strike has shut the Bathgate plant and jeopardised development strategy for the whole light-medium commercial vehicles division.

After the meeting Mr. Andrew Sim, leader of the unofficial five-man strike committee, said the mandate, given to the stewards to continue the strike until an offer was made, remained. The

Continued on Back Page

Nigerian Euro-loan dropped to $750m

BY MARY CAMPBELL

NIGERIA'S proposed $1bn eight-year Euromarket loan has been reduced to $750m (£390m).

Banks managing the loan have waited nearly three weeks to see if a proposed DM 750m ($375m or £193m) project financing under negotiation between a German banking consortium and Nigeria would be brought into the $1bn loan. In the continued absence of a decision, however, they are going ahead with arrangements for a smaller loan.

It is still possible for the German project loan to be added later, though some German banks are opposed to this.

Deutsche Bank, the leader of the German banking consortium, said last night that negotiations are under way with the Nigerians in Lagos. A decision may be clear by the end of this week.

Telex messages inviting banks generally to subscribe to the reduced $750m loan were sent last night. The main banks taking part are American, British and French.

For a medium-term Eurocurrency loan to be reduced in this way is extremely unusual, particularly given the present high liquidity in the international banking system. Nigeria's Euromarket borrowing programme, which started only last year, has been beset with difficulties.

The problem of the $750m loan has been that many banks, which might otherwise have come into it for sizeable amounts, already felt heavily committed to Nigeria, backing customers tendering for projects. Although a letter from the Nigerian Ministry of Finance was sent on August 3 telling banks that it would centralise foreign currency finance for these projects in global loans like the proposed $1bn, most apparently have not cut these commitments from their lending programmes.

Some banks report requests for back-up finance from corporate customers tendering for projects, even since the Ministry of Finance's letter.

The terms of the loan include margins payable over inter-bank rates of 1 per cent for the first four years rising to 1⅛ per cent for the last four. Participation fees will range from ¼ per cent for banks putting in the minimum subscription of $2m to ½ per cent on subscriptions of $15m or more.

It was not clear last night whether sums raised from banks outside the underwriting group would be used to cut back the underwriters' commitments or to increase the size of the loan towards the $1bn figure again.

Tory call for more referendums

BY PHILIP RAWSTORNE

MEASURES TO provide for a referendum before any fundamental changes in the constitution were proposed yesterday by a Conservative Party committee.

"We believe the referendum is most urgently needed as a safeguard against constitutional abuse," the committee says in a report prepared for Mrs. Margaret Thatcher, Tory leader.

It recommends that provision should be made for future governments, with Parliamentary consent, to hold referendums on non-constitutional issues.

But, the committee advises the Conservative Party not to enter any pre-election commitment to hold referendums on capital punishment or proportional representation.

Conflict

It is sceptical about Mrs. Thatcher's suggestion that referendums could be used to resolve confrontations between government and unions.

The Tory shadow Cabinet has considered the report from the committee, headed by Mr. Nicholas Edwards, MP for Pembroke, but is unlikely to include any of its proposals in the party's next general election manifesto.

Mr. Edwards said yesterday: "We believe that constitutional changes should be made only after wide consultation and with as much all party agreement as can be obtained."

The committee's main, and unanimous, proposal to use the referendum as a constitutional safeguard conflicts with Labour Party policy over the abolition of the Lords.

One of the prime objectives of the constitutional referendum which the committee proposes would be to protect the existence of the second chamber.

A Constitutional (Fundamental Provisions) Act also could safeguard other basic institutions against violent change, the report says.

Its provisions could be wide enough to cover the Crown, the unity of the UK, the Bill of Rights—and the Commons itself.

"While the sovereignty of Parliament makes it impossible to prevent such an Act being repealed by a bare majority and without a referendum, it would require an exceptional set of circumstances for a government to act so boldly without incurring a serious electoral liability," the committee says.

It suggests that an independent commission should be set up to supervise the conduct of any constitutional referendum and to frame the question to be asked.

The commission would report the result of the poll to Parliament which, after formal acceptance of the report, would send the Bill concerned for Royal Assent.

Together with the introduction of a constitutional referendum, the Tory group recommends that Parliament should legislate to enable consultative referendums on other issues to be held more easily.

The initiative for holding such polls should be left with the government of the day, subject only to the consent of both houses of Parliament, it recommends.

The committee recognises that referendums could become "a tool of expediency" in government hands but believes it could equally strengthen representative government.

"It would give an opportunity for the Government of the day to consult the people, particularly on issues that divide the parties and . . . to secure authority for measures to which powerful minority interests are opposed."

Used with sense and discretion, the referendum could help to remove public grievances about lack of consideration of its views.

The committee opposes any idea of introducing "a peoples' veto" by extending the right to obtain a referendum to any electoral group.

"We do not believe that such a substantial reduction in the power of Parliament to legislate is desirable.

Not easy

"We do not believe that . . . it will be easy to carry out government effectively if numerous conditions are made subject to votes by the people."

On proposals that the Tory Party should commit itself to referenda on capital punishment and a proportional representation voting system, the committee advises the party leadership that such a move would be unwise.

There would be genuine technical difficulties in referenda on the isues. A referendum on capital punishment, for example, would have to be preceded by decisions about majority verdicts by juries and a referendum on proportional representation would have to take account of the many varied systems.

The Referendum and the Constitution: Conservative Research Department: 20p.

Editorial comment Page 18

£ in New York

—	Sept. 12	Previous
Spot	$1.9450-9460	$1.9445-9460
1 month	0.55-0.49 dis	0.42-0.42 dis
3 months	1.45-1.37 dis	1.46-1.42 dis
12 months	4.90-4.75 dis	5.05-4.55 dis

Shelton steel plant closure agreed with £7m pay-off

BY CHRISTIAN TYLER, LABOUR EDITOR

THE British Steel Corporation early yesterday secured the agreed closure of iron- and steel-making at Shelton Bar, Stoke-on-Trent, bringing its tally of major shut-downs to five in the past 18 months.

Negotiations ended with all but one of the unions involved signing a redundancy agreement described by a local union leader as the best so far in the industry.

The average pay-out to the 1,250 workers who will lose their jobs is estimated at between £5,000 and £7,500, with a maximum payment of £16,881 and a minimum of £3,884.

The total cost will be about £7m. Some 600 workers are to be kept on in the beam and section mills, probably taking their steel from Scunthorpe.

Yesterday's agreement marks the end of one of the most determined and thorough campaigns mounted by trade unionists in recent history.

For seven years a local action committee has fought for the plant, at one stage even employing Hambros Bank to rebut BSC's assessment of the plant's viability.

Shelton was one of those plants reviewed by former Industry Minister Lord Beswick, who recommended that an electric arc furnace be installed. That proposal was indefinitely shelved by this year's White Paper on the future of the crisis-ridden Corporation.

The closure of its iron and steel-making, helped by a decision of the National Union of Blastfurnacemen not to fight the plan, suggests that BSC will now be more confident of buying out workers at Bilston, Staffs, where premature announcement of a run-down in June was greeted with a threat of a national strike by the Iron and Steel Trades Confederation.

However, Bilston could be a watershed in the BSC's cost-cutting programme, since it is the first non-Beswick plant to be threatened with closure. Also threatened is Glengarnock in Scotland.

Mr. Bill Sirs, general secretary of the ISTC and chairman of the TUC Steel Industry Committee, said last night that the agreement gave "positive" severance payments, and only the Transport and General Workers' Union had still to sign it.

Mr. Phil Tomlinson, secretary of the Shelton trade union action committee, said: "Obviously we wanted more, but in my opinion this is still the best deal to date in the corporation." Shelton workers had talked of severance of £50,000 each, but this was later amended to £27,000.

In the last year BSC has closed all or part of Clyde Iron, a deal done without consent of trade union leaders, Hartlepool East Moors and Ebbw Vale.

The maximum payment at East Moors was £17,500 and at Ebbw Vale it was £14,000.

As in previous redundancy agreements, the Shelton men will be paid according to current earnings, age and length of service, the highest sums going to men of 60, with 20 years' service and earnings of £105.42 a week.

The handshake includes statutory payments, holiday pay, payment in lieu of notice, an ex gratia sum, and "readaptation" money, half of which is paid for from EEC funds and half by the Government.

Boost for building societies

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

INVESTORS are returning to the building societies despite higher National Savings interest rates. But the rising inflow of new money may be too little and too late to reduce the queues of disappointed home buyers, or to prevent a further rise in the mortgage rate by the turn of the year.

Mr. Norman Griggs, secretary of the Building Societies Association, said yesterday that the movement believed that the "tide has now turned" for investment.

Reporting a £200m net inflow of investment cash in August, the same as the July total, Mr. Griggs said that the impact of the higher National Savings interest rates, introduced at the end of last month, had not been as serious as feared.

The societies had been warned that competition for investment from National Savings would accentuate the usual summer season increase in withdrawals from the societies. In fact, a marked improvement in new investment was seen in the first week of September, and the societies expect this month's net investment to top £250m.

Mr. Griggs warned that the recovery in investment inflow was still too small to prevent a continued rundown of the societies' cash reserves. Lending to home-buyers reached £783m in August, with a further £711m promised.

Existing borrowers paid off £324m of mortgage loans in the month. But these repayments, along with interest on deposits and the net new investment, still left a gap of over £100m between overall receipts and loans, a gap met by further reductions in the societies' reserves.

Reserves now stand at 18.1 per cent of total funds, compared to 21.7 per cent at the beginning of the year.

The societies, concerned about the rundown of reserves, are considering whether to boost investment inflows by raising the mortgage and deposit rates. An alternative would be tighter lending curbs leading to longer mortgage queues.

This dilemma is complicated by Government action to slow the rate of house price increases.

Home loan restrictions introduced in the summer had been extended until the end of October, and Mr. Griggs believed that the Government was still "far more worried about rising house prices" than by the growing number of disappointed would-be home buyers. He felt, however, that the political implications of a mass of frustrated buyers was beginning to be appreciated.

F PRICE CHANGES YESTERDAY

in pence unless otherwise indicated)

RISES:

	318	+ 14
'roperties	250	+ 10
y Hambro	139	+ 5
Sugar	142	+ 9
Sons & Webb	61	+ 4
ntl.	282	+ 8
on	25	+ 4
	129	+ 6
	276	+ 4
ues (A.)	26	+ 5
	34	+ 2½
e	77	+ 7½
d Educational	155	+ 35
ad	218	+ 13
Electronics	338	+ 11
& Colman	530	+ 15
(J. E.)	35	+ 4
ley	138	+ 8
(T.)	148	+ 5
Trust Houses Forte	256	+ 6
UDS	107	+ 3
Wilson Walton	40	+ 8
Chersonese	56	+ 9
Sungei Krian	93	+ 11
Warren Plantations	233	+ 12
Williamson Tea	160	+ 7
Charter Cons.	166	+ 6
Conzinc Riotinto	322	+ 12
De Beers Defd.	474	+ 18
Geevor Tin	155	+ 5
Haoma Gold	60	+ 5
Southvaal	575	+ 16
Winkelhaak	771	+ 29

FALLS:

Haggas (J.)	124	− 8
Pentos	107	− 5
Stewart Plastics	156	− 10
Vickers	207	− 4
Willis Faber	263	− 20
Burmah Oil	85	− 3

CONTENTS OF TODAY'S ISSUE

FEATURES

For latest Share Index 'phone 01-246 8026

EUROPEAN NEWS

Russia 'poised to triple oil exports'

BY WILLIAM DULLFORCE

STOCKHOLM, Sept. 12.

THE SOVIET Union is poised to triple its oil exports to the West by 1985 and to offer much tougher competition to Western refineries, already suffering from the recession.

This is the main conclusion of a report by PetroStudies, an oil consulting agency based in Malmö, southern Sweden, which specialises in analysing the Soviet oil and gas industries.

The report contradicts two widely-publicised studies by the U.S. Central Intelligence Agency predicting a sharp decline in Soviet oil production, which would force the USSR to become a net importer of OPEC oil by 1985.

PetroStudies says the Russians "have an explicit policy to increase their exports of refined oil products . . . for this purpose they are constructing and planning a series of export refineries in their border regions."

It has been assumed in the West that these refineries would serve the growing domestic market. But PetroStudies claims to have found "explicit Soviet policy statements" that these refineries will serve export markets.

Mr. M. Jermol, co-author of the report, told the Financial Times today that PetroStudies worked from "open Soviet documents." The Russians had been preparing a "grand plan" for oil production and exports.

The preparations had been reflected only in a very technical debate inside the Soviet oil industry and by new rules and norms passed by the Government but not reported so far in the Soviet Press.

"We quote our sources. The CIA does not quote any sources," Mr. Jermol said.

Petrostudies believes Soviet oil exports to the West could reach 185m tonnes by 1985. The bulk would go to Western Europe, where the Russians "could capture nearly a quater of the 1985 market for crude and refined products," compared with a share of 9.7 per cent in 1977.

Over the past four years the Russians had penetrated the Western European market for refined oil products, achieving a volume-share of 16.5 per cent last year. Their stated policy was to increase refined exports and phase down crude oil exports.

The most surprising finding of the Swedish agency is that the Russians are not producing their oilfields at maximum capacity. Some of the giant fields in Western Siberia were being systematically underproduced up to 30 per cent below their possible output rates.

Thus, a hidden potential already existed for doubling Soviet crude oil output by 1990. The existing potential for boosting exports to the West could raise Soviet oil earnings in hard currencies to about $20bn in 1985, compared with $6.4bn in 1977, Petrostudies calculates.

The agency specifically refutes a CIA contention that the leading Soviet oilfield, Samotlor, which provided a quarter of total Soviet output last year, was experiencing rapid water incursion.

The CIA had used a completely wrong figure, confusing Samotlor with the Romashkino oilfield in the European USSR, according to Petrostudies.

"Samotlor is geared to exhaust only a third of its reserves by 1981 and to speak of this giant field as if it was a sick, old veteran ready for a funeral is pure nonsense," Mr. Jermol said.

Erring towards optimism

BY ANTHONY ROBINSON

THE LATEST assessment of the Soviet oil potential appears to err as far in an optimistic direction as the much criticised CIA report erred in its pessimism.

It appears to be based largely on the premise that the Soviet Union is systematically under-producing from its existing fields and that as a result, a hidden potential already exists for doubling Soviet output of crude oil by 1990 even when material capital and labour constraints are taken into account.

This is, however, well in excess of the Soviet planners' own tentative long-term target of around 750m tons by 1985, up from 640m tons target for 1980, and compares with the 546m actually produced in 1977.

Such a trend would also imply a radical reversal of the long-term decline in the rate of growth of output of Soviet oil over the past decade.

Oil output growth has declined from 8 per cent annually in the early 1960s to 5 per cent last year (when the target of 550m tons was marginally under-fulfilled), and declined still further to 4 per cent over the first half of this year.

Further substantial increments can be expected over the next decade, thanks to the coming-on-stream of new oil and gas fields in Siberia, deeper drilling and a planned major expansion of highly promising off-shore fields.

But a doubling of existing production from existing fields in a decade looks highly improbable.

Germany and U.S. start new air talks

By Jonathan Carr

BONN, Sept. 12.

WEST GERMAN and U.S. negotiators today began a new round of talks on renewing the 1955 air transport accord between the two countries, with sharply conflicting views and tough bargaining in store.

The U.S. delegation, led by Mr. James Atwood, head of the State Department transport division, is pressing particularly for a liberalisation of transatlantic traffic in accordance with President Carter's "open sky" policy.

The Americans propose that all U.S. airlines which wish, should be permitted to fly to West German airports. At present only three—Pan Am, TWA and National—can do so.

In return, the West German airline Lufthansa, in which the Government holds a majority stake, would be allowed to land where it wished in the U.S.

So far, Lufthansa is only permitted to land in New York, Boston, Chicago, Philadelphia, Los Angeles and Anchorage, Alaska.

The West German side feels that in any case, Lufthansa should be permitted to do this—since all main German airports are already open to the Americans, albeit to a restricted number of airlines.

The Germans would also like to have unrestricted on-flying rights from America, for example, to Tokyo.

Bonn also complains that realisation of the U.S. plan would be bad for the environment, waste energy and work against the rational use of limited German airspace.

The West Germans contest the U.S. idea that proposals on fares by airlines of the two countries could in future only be vetoed if both Governments rejected them. At present, refusal by one Government is enough for a veto.

Finally fears exist that the Americans may be trying to penetrate the lucrative West German charter market. This would affect, among others, Condor, a Lufthansa subsidiary.

The new round of talks follows two others—one in Bonn in April, the other in Washington in June. It is expected to last at least four days.

OECD to meet on Turk[ey] plans early in November

BY METIN MUNIR

ANKARA, Se[pt.]

THE OECD consortium for Turkey is to meet early in November to discuss crucial proposals put to it by Mr. Bulent Ecevit's Government two months ago, according to Mr. Emile van Lennep, the organisation's secretary-general.

Mr. van Lennep has been in Turkey since September 7 holding discussions with Turkish leaders, with a view to preparing a report for the consortium.

He has been received by Mr. Ecevit and Mr. Ziya Muezzinoglu, the Turkish Finance Minister as well as other prominent Cabinet Ministers—an indication of the importance attached to his visit.

Mr. van Lennep said here today that he was in sympathy with Turkey's plight and would be "objective" in his report.

But he would not say what his observations were on Mr. Ecevit's efforts to extricate Turkey from its worse economic crisis in 50 years or what his recommendations would be.

"I want to stress that the OECD countries increasingly understand the basic problems confronting Turkey and have full sympathy," he added.

How much this sympathy will manifest itself in terms of concrete financial contributions appears to be uncertain, in view of the strong demands made by the Ankara Government.

According to a confidential OECD report made available to the Financial Times, Turkey put five "suggestions" before the consortium during its last meeting in Paris in June. They were:

1—Establishment of an additional stand-by facility by the Bank of International Settlements;

2—Early activation of export guarantee schemes by member-countries;

3—Encouragement of banks by governments to speed negotiations for a new Euroloan;

4—Consolidating non-guaranteed trade arrears (in excess of $1bn);

5—Turkey had abo[ut] ... worth of project ... already secured, but ... activate these loans b[ecause of] the inability to pay 10-1[5 per cent] of down-payments [on] credits. Perhaps the c[onsortium] could also find a soluti[on to this] problem.

The members' initia[l reaction] to these suggestions w[as, to put] it mildly, cool. Whe[ther this] attitude will change [at the] November meeting rem[ains to be] seen.

Imports fall aids balan[ce]

BY METIN MUNIR

ANKARA, Se[pt.]

A CONSIDERABLE improvement has occurred in Turkey's balance of payments deficit in the first half of this year. But this was more due to the drop in imports, a result of rigid Government control, than an upsurge in exports, hitherto unpublished official statisics showed.

Expors at $963.7m in the January-June period were 9 per cent higher than the previous year while imports declined by nearly a quarter to $2,238.4m. At $1,274.5m, the current account deficit was nearly 50 per cent lower than the previous year.

The overall balance [of pay]ments deficit was near[ly ... per] cent lower than the [previous] year's six month p[eriod's] $897.7m.

From a net deficit [of] $22m in the Jan[uary-June] period of last year, tou[rism and] foreign travel showe[d a] profit of about $36m.

A drop, however, has [occurred] in the remittances of [...] Turkish workers ...

● The Turkish Gover[nment in]creased fuel prices by ... per cent in a move t[o ...] economy, Reuter repo[rts].

Catalan home rule demonstrat[ion]

BY DAVID GARDNER

MADRID, Se[pt.]

BARCELONA WAS last night the scene of a large-scale home rule demonstration to mark the Catalan national day, during which between 250,000 and 500,000 people, according to different estimates, turned out in response to a last-minute call from the main Catalan parties. A man was shot dead and a girl seriously injured in clashes with the police well away from the main demonstration.

Preparations for the commemoration had been dominated by the consciousness among the main parties represented in Parliament and the "Generalitat"—the Catalan autonomous government—of growing disenchantment at delays in the granting of substantive powers to the region, and the need to channel this discontent away from more radical postures.

But the relative success of a pro-independence demonstration on Sunday—a new development in Catalan politics—persuaded the mainstream parties to make an eleventh hour effort, the results of which took them by surprise.

Nevertheless, the demonstration was dominated by abusive opposition to Sr. Josep Tarradellas, president of the provisional Generalitat, whom a growing number of Catalans regard as an obstacle to full home rule.

The violence occurred [...] palace of the Generalit[at ...] the illegal Internatio[nal Com]munist Party—a smal[l ...] sect—attempted to [hold a] separate demonstratio[n ...] attacked police prevent[ing] access to the area, and [a youth] of 16 was shot dead af[ter Molo]tov cocktails had been [...]

About 50 youths then [...] gun shop in central B[arcelona] and in the ensuing sl[...] with the police, a youn[g ...] member of the Trotsky[ist Revo]lutionary Communist L[eague ...] her way back from t[he] demonstration—was sh[ot in the] stomach and remains [...] ill in hospital.

Community row over budget

By Our Own Correspondent

LUXEMBOURG, Sept. 12.

EUROPEAN Community finance ministers were accused today of failing to put into practice commitments made by EEC heads of state and government at the Bremen summit in July.

The ministers came in for criticism from European Parliament MPs debating the EEC 1979 draft budget presented by Herr Manfred Lahnstein, Secretary of State at the West German Finance Ministry. The 13bn European Units of Account draft, although 5 per cent above the 1978 payment appropriations figure, is 800m European u.a. below the total proposed by the EEC commission earlier this year.

The MPs anger was aroused by the fact that the ministers' cuts left the much maligned Common Agricultural Policy largely unscathed while sharply reducing planned spending on regional and social policy and energy research—sectors which were expected to receive increased attention following the Bremen pledges on reducing dependence on importd energy and stimulating economic growth.

Chirac renews Giscard attack

BY DAVID CURRY

PARIS, Sept. 12.

THE GAULLISTS, the biggest party in the French National Assembly, have lost no time in making clear that the summer lay-off from politics has not dimmed their personal suspicion of President Valery Giscard d'Estaing or the general distrust of the Government of M. Raymond Barre.

But the spate of speeches from Gaullist leaders has also made clear that although they will strive to push the Government into a more direct attack on unemployment, they will not risk an outright confrontation on the national level which could provoke the President into calling a new general election.

M. Jacques Chirac, who until two years ago was Prime Minister, is clearly intending to use his position as mayor of Paris to attack the Government outside the National Assembly. The city is in conflict with the state over a wide range of issues from fiscal liability to the costs of the police force and the financing of the pensions of retired municipal servants. By espousing these issues, M. Chirac ensures that he remains in the political forefront without threatening the Government directly.

However, his latest comments have emphasised all to clearly the deep hostility he feels towards the President—hostility which is apparently reciprocated. At the first city council meeting since the holidays, M. Chirac vigorously attacked the decision to abandon the express road along the Left Bank of the Seine through Paris as "one of the great errors of our time committed by demagogues and incompetents."

The express-road was the brain child of President Georges Pompidou, who was M. Chirac's political mentor. President Giscard when he succeeded M. Pompidou, scaled down some of his predecessor's more grandiose construction plans and abandoned the scheme on the grounds that it would disfigure the city. Although M. Chirac did not mention M. Giscard by name, his reference was clear enough to provoke a walk-out by the leader of the Giscardian group in the city council.

Spanish police chiefs dismissed

MADRID, Sept. 12.

NINE COMMANDERS of National Police units in Spain have been relieved of their posts, Government sources said today.

The measures have affected police colonels in charge of units in Madrid and Bilbao, and captains in the cities of Avila, Guadalajara, Cuenca and Toledo in the Madrid region, and Soria, Santander and Sabadell in the north.

The reasons behind the dismissals were not made public, but informed sources said they believed that Sr. Rodolfo Martin Villa, Interior Minister, wanted to stress the authority of the Government and its civil governors over the police officers, all seconded from the armed forces.

The officers had tended to view their task of enforcing the law more as a military problem than one involving political considerations in Spain's evolving democratic society, sources added.

Reuter

Greeks urged to tighten belts before EEC entry

BY OUR ATHENS CORRESPONDENT

THE GREEK PREMIER, Mr. Constantine Karamanlis has singled out inflation and low productivity as the major problems plaguing the Greek economy and has called on the Greeks to reduce overconsumption.

In a speech delivered at the inauguration of the third international trade fair of Salonica, the Premier abstained from any reference to the political issues facing the country.

Instead, he gave a general outline of the state of the nation's economy and the prospects for its future development. He said a 6 per cent increase in real national income was expected this year, compared with 3.9 per cent in 1977. Fixed capital investment was expected to continue increasing this year, at an estimated rate of 6 per cent, and private investment was expected to rise by 7.3 per cent.

The Premier said that in comparison with other European countries this growth rate was satisfactory. But it was not satisfactory in terms of the need to adjust the economy as rapidly as possible to the standards of the European Community, with which Greece expects to sign the agreement for full membership next summer.

Mr. Karamanlis said inflation will be contained below last year's level of 12.8 per cent but remained the weak point of the economy and must be curbed by all available means. He said productivity had not increased with the higher wage rates but lagged dangerously behind.

In spite of heavy defence expenditure—which is eating away about a quarter of the annual state budget—and the high cost of imported fuels ($1.034bn in 1977), the deficit in the balance of current account was expected to be near $1.5bn this year, compared with $1.267bn in 1977.

The Premier said that part of the increase in the deficit must be attributed to the large volume of non-essential imports. As an example, he said that in 1977 the amount spent on imported cars was $400m, whereas in the first half of 1978 this had already reached $264m. He said the Greeks will have to contain their wants within reasonable limits, particularly since membership of the EEC will require Greece to adjust its economy to new conditions and standards.

Belgian oil strike goes on

BY GILES MERRITT

BRUSSELS, Sept. 12.

THE STRIKE paralysing Belgium's oil refining and distribution industry went into second full day today with no sign of peace talks in the offing.

Filling stations have already begun to close, notably in Brussels itself, and it is expected that hoarding will have resulted in widespread petrol shortages by the end of the week.

The effect of the strike by the country's 5,000 oil industry workers on Belgian industry is not, however, expected to be so immediate.

According to some estimates, stock-piling requirements introduced in late 1973 could ensure production levels in Belgian manufacturing industry for almost three months.

The Fédération des Entreprises de Belgique commented today that because of the wider use by industry of natural gas, no crisis was imminent.

The dispute has been directly triggered by last week's closure by Occidental Petroleum of its loss-making Antwerp refinery, the Raffinérie Belge des Pétroles (RBP) and the loss of 250 jobs.

The cut is certain to be only the first of many needed inside the EEC to reduce the European refinery industry's over-capacity of almost 40 per cent.

Soviets balance Aegean ties

By David Satter

MOSCOW, Sept. 12

THE SOVIETS have succeeded in effectively balancing their relations with the Aegean powers following the visit here last week of Mr. George Rallis, the Greek Foreign Minister, according to diplomatic observers.

The period of strain in U.S.-Turkish relations occasioned by the U.S. arms embargo saw some development in Soviet-Turkish relations culminating in the signing of a "political document of friendship and co-operation—during the visit here in June of Mr. Bulent Ecevit, the Turkish Prime Minister.

U.S.-Turkish relations have improved, however, and the Soviets have gone some way to strengthen their ties with Greece.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscriptions $205.00 (air freight) $365.00 (air mail) per annum. Second class postage paid at New York, N.Y.

[illegible] من الأصل

EUROPEAN NEWS

HARD CURRENCY STORES IN E. GERMANY

West Germany gains new market of 17m consumers

BY LESLIE COLITT IN BERLIN

REMARKABLY short time, e West German consumer goods lustry has gained an extra irket of nearly 17m consumers, ned with hard Deutsche Marks, iding here in East Germany.

The anomaly is explained by e phenomenal growth of the tershop hard-currency stores the German Democratic public over the past few years. Expansion of the Intershops to point where they now have an nual turnover estimated at tween DM 800m and DM 1bn, s given rise to a tangle of iquely East German problems. The East German Communist idership welcomes the chance mop up D-Marks brought into e country by visiting West rman friends and relations, or uggled back by East German nsioners, who are allowed to e West and who exchange GDR irks for D-Marks at the rate four to one.

But the authorities are worried out the side effects—one of em the griping by many East rmans whose access to West rman currency is limited or n-existent, and who are cluded from buying Western oducts.

The Communist Government also acutely aware that the utsche Mark has now become st Germany's second currency d one fast supplanting the IR Mark in getting a plumber an electrician, having a car iaired, or obtaining building terials for a summer datcha.

n much of East Germany it virtually impossible to get anyng repaired unless the tomer agrees to at least parl payment in Deutsche Marks, ich subsequently land in the ershops.

The authorities are concerned out this loss of confidence in domestic Mark, especially as undermines the citizens' grow pride in other aspects of East rman life.

Caught between the desire to hon off precious hard curicy and maintain a semblance equality in the market place, st Germany's Communist der and president, Herr Erich necker, last year said that the nber of new Intershops would curtailed, and that other ciality stores selling Western ids for GDR Marks expanded.

At these latter stores, a 200-mme tin of West German fee costs 26 GDR marks, inst DM 5 for 250 grammes coffee in the Intershop.

A bottle of Scotch whisky costs East German marks in a nestic currency store, but only 13 at the Intershop, where a kage of Western cigarettes ts a quarter of the price charged in a local store.

A tin of California fruit salad sells for 12 GDR marks and for one-sixth of the price in D-Marks at the Intershop.

Such prices, especially for East Germans earning below the 954 marks (£239) said to be the average monthly industrial wage, have led to more charges of highway robbery.

They have also produced cynical jokes, such as: "What's the difference between the German Reich in 1938 and the German Democratic Republic in 1978? Answer: The Reich wanted the Ostmark."

The play-on-words is that the Ostmark was the name given to Austria after the Anschluss, while it is also the unofficial name for the East German mark.

The D-mark has become East Germany's second currency and is fast supplanting the GDR mark for getting a car repaired or obtaining building materials.

The Intershops have turned into a boon for West German consumer goods manufacturers and, increasingly, also foreign companies, as the East German Government attempts to diversify sources of supply away from West Germany.

In some cases, invoices are merely routed via Austria or Switzerland, but in other instances, soap powder, chocolate, and other staples produced by multinational companies are now bought outside West Germany.

Nevertheless, West German companies selling to the Intershop chain report that the level of orders continues unabated.

A company, such as Levi Strauss, which sells more jeans to East Germany than to any other Communist country, markets them all to the Intershop.

Usually, the saleability of an item to the hard-currency chain depends on the exposure it has had on West German TV commercials, religiously viewed by East Germans each evening.

Selling to the Intershop can have its political ups and downs. One West German company was selling large quantities of chrome water-tap fixtures to the Intershop, which got rid of them instantly to East Germans who otherwise can only buy plastic fixtures.

Abruptly, the orders stopped without any explanation. Only later the West German salesmen found that East German plumbers, both private and State-employed, had bought up the metal taps for themselves and re-sold them to East Germans at a profit in either D-Marks or, at four times the amount, for GDR Marks.

One West German publication reported that West German bathroom scales sold in the Intershops were actually made in East Germany.

The West German salesman received a distress call from East Berlin, and, although he assured the Intershop buyers that there was no truth in the story, they were only assuaged after he presented documented proof of origin.

Reports by West German newspapers and TV have only fuelled the uncertainty among East Germans as to whether the Intershops will continue operating in their present form.

The result of this uncertainty is long queues at Intershops throughout the GDR, where some brands of coffee are already in short supply.

East Germans fear that the Government may announce that, henceforth, East German citizens with D-Marks will have to exchange them at the State bank and receive coupons of various denominations entitling them to purchase at the Intershops.

East Germans believe this system would inhibit many of their fellow-citizens with D-Marks, who, until now, have been able to spend them anonymously.

Although East Germans have been permitted to have Western currency since 1974, they have not been required to register this money with the bank before spending it at the Intershop.

Any change in the system would probably also mean re-introducing hard-currency controls on Westerners entering and leaving the country, since they, ultimately, are the source of most of the D-Marks circulating.

If such moves should come, they would be unpopular among East Germans, who have become accustomed to the Western products now so readily available if they have the D-Marks.

But as one West German salesman to the Intershops notes: "Even badly needed hard currency takes a back seat to ideology if the Communist Party here believes the Socialist order is being eroded."

Italian banks cut prime rate to 15%

By Paul Betts

ROME, Sept. 12.

AS SG. ANDREOTTI, the Prime Minister, was holding talks with Italian trade union leaders over his Government's proposed three-year economic recovery programme, the main commercial banks decided tonight to reduce by one point to 15 per cent their lending rate to prime borrowers as from September 20.

The cut in the prime rate follows closely the decision of the Italian authorities to reduce the central bank's discount rate by one point to 10.5 per cent.

Both cuts are generally regarded as a move by the Government to show its intention of enforcing its economic plan to encourage a recovery in the country's dwindling industrial output.

The decision to reduce the prime rate is unlikely to open the door, at this stage at least, to so-called easy money in Italy. A number of monetary restrictions still remain in force, including the banks' compulsory reserve requirements with the central bank, the compulsion on banks to invest a large portion of their deposits in Treasury paper, and continuing limits on credit expansion.

Before tonight's meeting with the Government on the three-year plan, the main Labour confederation listed a series of reservations over the economic proposals. But the overriding impression was that the unions, despite a number of internal disagreements, were willing to reach an agreement with the Government.

In the document handed to Sig. Andreotti, the union leaders pressed the Prime Minister to specify in detail the envisaged investments broadly outlined in his plan. His aim is, among other things, to create some 600,000 new jobs over the three-year period in 1979-81.

The unions, which renewed their refusal to consider at this stage a reform of the country's inflationary wage-indexation mechanism, said they could only compromise on austerity measures if they were given firm guarantees on future employment-generating investment.

The Government, which has stressed that its economic proposals are open to modification, is particularly anxious to secure union pledges to moderate future wage claims. While labour leaders appear ready to adopt more moderate lines on wages, this does not appear to be the case with their rank and file.

AMERICAN NEWS

Figueiredo hits the campaign trail in Brazil

BY DIANA SMITH IN RIO DE JANEIRO

BRAZIL'S ELECTORAL college, dominated by representatives of the pro-government party Arena, can safely be expected to elect General Joao Baptista Figueiredo to the presidency on October 15.

General Figueiredo—appointed successor of the outgoing Head of State, General Ernesto Geisel—has a rival, the opposition candidate, General Euler Bentes Monteiro. The latter, however, is not universally endorsed by the MDB (Brazilian Democratic Movement—the legal opposition party), nor is he likely to win marked support from Arena dissidents. Barring unforeseen circumstances, therefore, General Figueiredo's victory can be taken as a *fait accompli*.

Less guaranteed is the victory of Arena in the November 15 general election, which will determine the composition of Congress and two-thirds of the Senate for the next four years.

Only two-thirds of the Senate will be chosen by direct vote: the remaining third, like the governors of Brazil's 21 states, are nominated by the central powers and ratified first by their party conventions, then by local electoral colleges. In common Brazilian parlance, they are known as "bionic" senators or governors—a sarcastic label that four years ago, in the censorious mood of the times, could not have been uttered in public, but which has now become an established media term.

General Figueiredo has no need to campaign for election but since he left his job as head of Brazil's intelligence service, he has been touring the country with as much energy, gregariousness and voluntary subjection to questioning as an American presidential candidate.

He is, he explains, not campaigning for himself, but for Arena—to try and ensure that the party wins in November. His obvious willingness to listen and learn from direct contact with the masses is a radical change in routine from the somewhat austere, remote style of General Geisel and has revealed the rich and sometimes startling flavour of General Figueiredo's character.

With the opposition failing to give unanimous backing to the rival candidate, General Joao Figueiredo (left) is virtually certain to be elected President of Brazil by the electoral college next month. The General's hand-grasping, meet-the-people style of campaigning contrasts starkly with his former unsmiling role as intelligence chief. His adoption of ordinary lenses in place of dark glasses, and discreet business suits instead of military uniform symbolises more than an attempt to create a new image for himself, while simultaneously gathering support for the pro-Government Arena party.

Breezy personal style may not be enough, however, to overcome national disgruntlement with inflation (officially put at over 38 per cent last year), the low and controlled wages of the majority of the population, housing shortages, soaring crime, corruption in high, medium and low places, persistent shortcomings in sanitation and water supplies, glaring problems for rural workers, credit squeezes and other woes—almost all blamed on the Government and thus on Arena.

This is not to say that the Geisel administration has not made substantial achievements; which range from attempting to rationalise land ownership to strengthening of the banking system. Nevertheless, huge pockets of what even General Figueiredo calls "absolute poverty" persist, as does the bent for grandiose plans which rarely get off the drawing board.

As the Government determination to manage the economy at multiple levels has grown, so has the bureaucracy, creating a general sense of powerlessness in the face of this procrastinating, unfeeling leviathan.

The MDB may win the *November elections not so much* on its merits, since it presents no clear alternative platform and varies greatly in political attitudes from one state to another, but more as the result of a protest vote.

Its one coherent rallying cry is democracy—that is, direct elections for governors and all the Senate, as well as the presidency, an end to all vestiges of repression and open government.

Since General Figueiredo has hinted at the possibility, during his future tenure, of direct Senate and gubernatorial elections, and since the birth of new and multiple political parties (barring Marxist ones) is due after the November elections, some of the MDB's colours have been donned already by the official candidate and, by extrapolation, Arena.

What happens if General Figueiredo finds himself having to govern with an MDB-dominated Congress and Senate is anybody's guess.

The General has softened his tone since his original statements that if the MDB won the general election "he would blow up." This week, he told the foreign Press that "I would not say that an MDB victory would harm the restoration of democracy. What I do say is that a victory by my party would make the arrival of democratic normality easier because I know what I intend. Apart from that, an opposition victory would put them in such a hurry to get to power that I fear the process of democratic normalisation would be disrupted."

General Figueiredo's agreement to speak to the foreign press—until recently the bête noire of Brazilian officialdom—is itself evidence of the "opening out" not only of the General, but of Brazil's political attitudes. The Brazilian press is now free of censorship—and has taken full advantage of its freedoms, dogging General Figueiredo's every footstep and commenting at will on his statements.

And to hear General Figueiredo state that "I consider freedom of opinion and information essential to the functioning of a democratic regime," could not fail to arouse strong hopes for the future of press-presidential relations.

The gist of General Figueiredo's statements to foreign correspondents this week covered foreign policy. "Internationally, I see the persistence of rivalries, and even confrontations, although relations between the East and the West will become closer and more important."

"Dialogue between the rich nations of the North and poor nations of the South is virtually paralysed. Many promises made, few carried out," the General said. "Frustrations are piling up among the developing countries, in the face of the failure of international co-operation to eliminate—or even diminish—external obstacles to development. I would even say that external obstacles increase as development advances.

"Brazil's economic and political sectors feel apprehension about two problems: protection of domestic industries of developed nations and restrictions on transfers of technology by those countries to others which wish to progress."

Protectionism, General Figueiredo stated, "blocks the growth of our more profitable exports precisely to those markets with the greatest buying power. Consequently, deficits pile up in our trade balance, despite all government efforts to stimulate new sales abroad. Obstacles to international technology transfers, which today threaten to spill over into other sectors, were initially raised, dramatically, against the implementation of our nuclear programme."

Foreign policy, the General announced, would be conducted along three "vectors:" universality ("Everything counsels us to keep our eyes on what happens beyond our horizons"); a combination of "our sense of national dignity with the need to remain flexible in action in an unpredictable world"; and "good fellowship."

"We want," he said, "a world order that generates greater opportunities for trade and access to technology—more equitable opportunities for ourselves and for African nations. Of course, African countries are still feeling the yoke of colonialism, colonialism imposed to exploit their market and resources to the benefit of European industrial expansion. Those European powers did not know how to prepare local leaderships, so consolidation of African independence has been long and painful. Through our traditions, our history, our racial miscegenation, or similar raw materials, we have every interest in tightening links with African countries." (Brazil was among the first to recognise the new states of Angola and Mozambique, which did nothing to make it popular with the U.S. Government at the time.)

General Figueiredo appears determined to follow General Geisel's course of constant increase and diversification of trade ties—known in official parlance as "decreased dependence on the United States through diversified dependence elsewhere."

AMERICAN NEWS

Canada lending rate raised to help protect currency

BY VICTOR MACKIE

OTTAWA, Sept. 12.

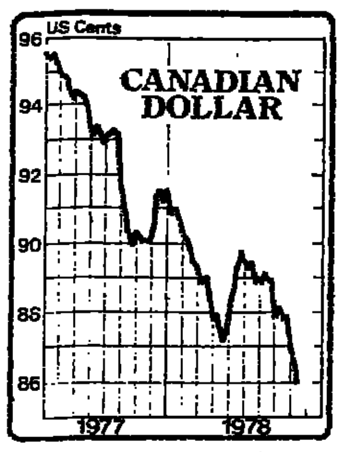
THE BANK of Canada has made two moves to bolster the sinking Canadian dollar.

It has increased its lending rate to 9.5 per cent from 9 per cent and has announced a further reduction in its target for growth in the money supply. The target, cut in June to a range of 7-11 per cent, was reduced to a range of 6-10 per cent. The actual growth of the money supply, from June, 1977, to June, 1978, was 8.5 per cent.

The bank rate, a key economic indicator, is the rate at which the Bank of Canada makes its infrequent loans to commercial banks.

The Royal Bank of Canada and the Canadian Imperial Bank of Commerce said today they will raise their prime rates to 10¼ per cent, from 9¾ per cent, as of September 15.

The governor of Bank of Canada, Mr. Gerald Bovey, said that the major factor in the recent depreciation of the Canadian dollar in the exchange market had been the unexpectedly weak foreign trade figures for June and July. He said it was his view that the trade balance for these months was not representative of the underlying situation, and he did not believe that such weakness would continue for any extended period.



It was the fourth increase this year for the bank rate.

The main significance of the bank rate is that it signals Government monetary policy to the commercial bankers. The governor was, in effect, telling money managers that he wants to encourage investment to flow into Canada by making the rates more attractive.

Mr. Bouey said that the reduction of one percentage point in the limits of the target range was a further step in implementing the central bank's longer-term policy of gradually moderating the rate of monetary expansion in Canada.

He noted that, for more than a year, Canadian progress towards a lower rate of inflation has been hampered by a sharp increase in food prices, largely reflecting special situations in the market of some important farm products, and by a big drop in the foreign exchange value of the Canadian dollar.

Reuter adds: The seasonally-adjusted Canadian unemployment rate was 8.5 per cent in August, up from 8.4 per cent a month earlier. Statistics Canada said. A year ago, the rate was 8.2 per cent.

Bank ready with current account interest plan

By Stewart Fleming

NEW YORK, Sept. 12.

BANK OF AMERICA, the largest U.S. bank, has announced plans which will have the effect of allowing customers to earn interest on current accounts. The bank has the largest branch system in the country.

The service is to come into effect on November 1 unless blocked by legal challenges.

In the past U.S. banks have not been able to pay interest on current accounts but only on savings accounts, although in New England these restrictions have been partially circumvented.

In May, however, the Federal Reserve Board ammended its regulation's to allow automatic transfers from savings to current accounts. The decision has been challenged by the U.S. Savings and Loan League which is taking legal action in an attempt to prevent commercial bank competitors from offering automatic transfers.

Bank of America now says that it is going ahead with plans for such a service in the hope that the courts will permit it.

The bank is proposing two plans. Under one, deposits made with the bank will be aotumatically transferred from the current account into which they are first placed to a savings account paying 5 per cent interest. If cheques are presented, there is not enough money in the current account to cover payment, funds will be transferred automatically from the savings account to meet payment. Customers will have to keen a minimum balance of$500 in the accounts and they will pay a $3-a-month service charge and 10 cents per cheque.

An alternative scheme will allow the bank to transfer funds fro msavings to current accounts to cover cheque payments when necessary with a charge of 75 cents for each day such a transfer is made.

Bank of America, with 1,100 branches and $3bn in consumer deposits is the largest bank to announce firm plans for effectively paying interest on current accounts. Chemical Bank, one of the larger New York banks, has also published its proposals. Most of the major banks are thought to be working on similar plans an dthere is ken interest among bankers to see how competition develops and charges are set.

There is also concern among economists about the impact of such ne services on the U.S. money supply, assuming the proposals are not blocked. Economists point out that if bank customers shift deposits from current accounts into savings accounts this will tend to depress the M1 measure of the money supply and increase the M2 measure (M1 measures currency and current accounts, M2 includes savings accounts). While the changes may be once-and-for-all during the transition period, they will affect apparent growth rates and thus monetary policy decisions.

So far, however, the banks are setting charges for the new service at levels which may discourage a wholesale shift of funds.

Strong year, Page 23

'Unadventurous unions' criticised

BY JOHN WYLES

NEW YORK, Sept. 12.

ONE OF the most critical problems of the union movement in the U.S., its inability to gain new members, is due largely to an unadventurous organising strategy based on sectors of the economy which are growing slowly or even declining.

This is the main conclusion of a report by the Conference Board, the U.S. business research organisation, which implies that a lack of vision and drive at the top of many U.S. unions is largely responsible for the gradual decline in the unionised proportion of the labour force over the past 30 years.

In 1945 more than 30 per cent of U.S. workers belonged to a trade union but this figure has fallen to 20 per cent. And at 19.4m. total membership is essentially the same as in 1970.

The report stresses the unions' failure to make significant inroads into the three most rapidly growing areas of the economy—services, trade and finance. Less than 15 per cent of workers employed in the service sector belong to unions while more than 5.4m new service jobs have been created this decade. Union representation in finance is less than one-tenth of 1 per cent—and at 6 per cent is only a little more significant in wholesaling and retailing, which now accounts for a quarter of all employment.

In contrast, areas in which union members account for more than 45 per cent of the labour force—Federal Government, construction, transport and utilities—have registered virtually no expansion in jobs in recent years. Employment in manufacturing has declined, says the report, yet last year 46 per cent of all elections on union representation—a key indicator of organising activity—were in this sector.

The only area of substantial organising achievement has been state and local government employees, where 50 per cent union membership has established Mr. Jerry Wurf's Association of Federal, State, County and Municipal Employees as the largest union affiliate to the American Federation of Labour-Congress of Industrial Organisations.

This success, coupled with advances by unions such as the retail clerks, teachers and the teamsters, means that the picture is not one of total failure. But even where unions are devoting considerable resources to organisation, the report indicates that they are running up against new obstacles. In 1965, they were winning more than 60 per cent of all representation elections but last year the proportion had tumbled to 48 per cent covering 527,000 workers.

There are several reasons for this. Many sunbelt states, the economic development of which has been a major feature of the 1970s, are hostile to union representation and a number of legal and institutional obstacles have been built on a culture which is basically unsympathetic to collectivasm. In addition, jurisdictional disputes between unions have often weakened organising drives and employers have become increasingly sophisticated in techniques to reduce the attractions of union membership.

Deputies challenge 2 Governors

BY DAVID BUCHAN

WASHINGTON, Sept. 12.

MOST OF the 1978 primary elections in the U.S. take place to-day, with voting in 14 states for six Senate seats, about 100 seats in the House of Representatives and a dozen governorships.

Though to-day's polls are the most widespread since the November 1976 presidential and congressional elections, they will provide little or no guide to President Carter's current electoral standing. Presidents do not meddle in primaries which are intra-party affairs. A better indication of Mr. Carter's political fortunes will be gleaned by the fate in the November general elections of those Democratic candidates for whom Mr Carter has promised to campaign this month and next.

The liveliest contests appear to be for Governor in New York and Connecticut, where two first-term Democratic Governors are being challanged by their Lieutenant-Governors. In Florida, some seven Democrats have spent about $6m in pursuit of their party nomination to succeed Governor Reuben Askew who has served the maximum term of eight consecutive years.

Unusually, two Senate seats are at stake in Minnesota: that held by Senator Wendell Anderson, who replaced Vice-President Walter Mondale as senator, and that held by Mrs. Muriel Humphrey since the death of her husband, Mr. Hubert Humphrey.

John Wyles adds from New York: The Democrat Governor Mr. Hugh Carey should have little difficulty in shrugging off challenges from two former comrades, Mary Ann Krupsak who remains his Lieutenant-Governor until the end of the year, and state Senator Jeremiah Bloom who represents Mr. Carey's native Brooklyn.

Both have based their campaigns on attacking the Governor's character and fitness for the job which, they say, has failed to interest him. Mr. Bloom has been trying to exploit the Governor's opposition to the re-introduction of the death penalty for various categories of murder.

Tighter pollution curbs proposed

BY OUR OWN CORRESPONDENT

WASHINGTON, Sept. 12.

NEW coal-burning power stations in the U.S. will be required to reduce drastically the amount of sulphur dioxide and other air pollutants they emit, under new proposals issued by the Environmental Protection Agency (EPA).

The tougher proposed standards, EPA officials say, are needed in the context of President Carter's proposal, now approved by both Houses of Congress, to encourage power companies to switch from burning oil and gas to coal.

The standards also reflect advances in pollution control technology made since the last standards were set in 1971.

The EPA is proposing that power plants, no matter what type of coal they burn, will have to eliminate 85 per cent of their potential sulphur dioxide emissions. This would mean that most power plants will need to be fitted with "scrubbers" which purify coal gases.

The agency estimates the costs of this at an extra $10bn for the near-200 coal power stations which the industry is considered likely to build up to 1990 at a cost of $475bn.

The EPA calculates the new regulations would only add about 2 per cent to the industry's costs.

But the utility companies, with support inside the Administration of the Energy Department, want to see the new standards set on a sliding scale, so that the lower the sulphur content of the coal burned, the less the reduction in pollution required.

The large coal reserves in the western states contain much less sulphur than in the eastern or mid-west coal fields.

The EPA, which this autumn will hold public hearings on its proposed regulations before making a final ruling, says it is willing to consider the industry's objections.

Reuter adds: The EPA said it had banned the use of manganese-based MMT, used to increase the octane of unleaded fuels. The agency refused to permit a waiver sought by industry, because a substitute has not been discovered.

Industry sources said the ban could lead to higher petrol prices because further processing of crude oil would be required to maintain octane ratings. The decision to ban the additive was based on evidence that it increases hydrocarbon emissions from cars and clogs catalytic converters.

Fierce fighting continues in Nicaragua

MANAGUA, Sept. 12.

THE NICARAGUAN Red Cross perpared a desperate attempt today to get into the twon of Masaya, where hundreds of people are feared to have been killed or wounded in intense fighting between the National Guard and opponents of President Anastasio Somoza.

Clashes also continued through the night in several other Nicaraguan cities. Insurgents led by guerrillas of the left-wing Sandinist Liberation Front are pitting rifles, small arms, grenades and petrol bombs against atrillery, machine guns and armoured cars of the National Guard.

In Managua itself, the capital, where the latest wave of violence flared on Saturday night, with five concerted guerrilla attacks against police post, relative calm was broken by occasional shots and explosions.

Red Cross officials in Managua says that casualties are impossible to count because their units have been unable to raech many areas of fighting.

In Masaya, 16 miles south of the capital, the National Guard has deployed some 300 troops, light artillery, armoured cars with heavy machine-guns and five helicopters against guerrillas who have seized control of 90 per cent of the town.

Eye-witnesses said that the Guard appeared to be preparing for a big assault today against insurgent barricades built of paving stones, mounds of twisted steel and burning tyres.

Fires broke out in many parts of Masaya yesterday and eye-witnesses said the entire commercial centre was in flames with the fire brigade immobilised by a guerrilla attack on its station.

Reuter

No Chilean poll before 1985, says Pinochet

By Robert Lindley

BUENOS AIRES, Sept. 12.

GENERAL AUGUSTO PINOCHET, the Chilean President, has announced that there will be no elections in the country before 1985. He was speaking yesterday, on the fifth anniversary of the military coup which overthrew the elected President Salvador Allende.

General Pinchet said the elections would be approached in three stages, recovery, transition and normality. "To move abruptly from a military government to another civilian government, whatever the duration of the former and the moment of the change-over, would produce possibly irreparable moral and judical-institutional ruptures, lanching the country on an adventure with unforeseeble consequences," he said.

Once recovery was achieved, General Pinochet said, a six-year period of transition would being with "before 1979," the functioning of "work councils" and collective bargaining.

Anti-bussing move fails

BY MAURICE IRVINE

LOS ANGELES, Sept. 12.

DESPITE a last-minute call by leaders of anti-bussing groups for a boycott of schools, Los Angeles today peacefully became the largest city in the nation to undertake school desegregation.

A fleet of 1,200 buses carried more than 60,000 children to school on this first day of the autumn term. There were no violent incidents, only two cases of peaceful picketing by parents, and a couple of minor traffic accidents without injury.

"I am delighted with the way things have gone so far," said Los Angeles mayor, Mr. Tom Bradley, an hour after students were at their desks. "This is the culmination of thousands of hours of effort put in over the past 18 months by police, schools, and thousands of parents and teachers. We can be proud of this achievement."

Although a relatively small number of students are involved in the plan — about 10 per cent of the district's total school enrolment — this is one of the largest integration schemes ever put into action in the U.S.

For 15 years bussing opponents fought in the courts to prevent various plans from being launched. Two weeks ago the state Supreme Court ended last-ditch efforts by "Bustop," the leading anti-integration group, when it overruled a lower court's decision to hold up the plan.

On Monday night some 5,000 busing opponents cheered at a Bustop rally as the group's leaders called on them to boycott schools today. "Let the buses roll empty," said Republican Assemblyman Mr. Robert Cline. "The Government has shown monumental ignorance about what is best for our children."

But there were few signs that many parents were keeping their children at home, although some youngsters face one-way rides of an hour or more.

U.S. COMPANY NEWS

Hanes in talks with Consolidated Foods; Hongkong and Shanghai seeks formal approval; Motor giants file suit against FTC—Page 23

Vote delayed on gas prices

WASHINGTON, Sept. 12.

THE SENATE Democratic leader, Senator Robert Byrd, said there will be no votes in the Senate on the natural gas price de-regulation bill until Thursday at the earliest.

He was trying to reach agreement with opponents of the Bill for a specific time to vote on sending it back to a joint committee of the Senate and House of Representatives, but had been unable to do so, he said.

Reuter

OVERSEAS NEWS

Patriotic Front split widens over conference

BY OUR OWN CORRESPONDENT

LUSAKA, Sept. 12.

A SERIOUS split between the two wings of the Patriotic Front guerrillas over policy towards the proposed all-party peace conference became public today in a further indication that the chances of a negotiated settlement in Rhodesia are receding rapidly.

Mr. Edgar Tekere, the secretary-general of Mr. Robert Mugabe's Zimbabwe African National Union (ZANU), called a news conference in which he contradicted a statement yesterday by Mr. Joshua Nkomo, the co-leader of the alliance, that plans for the all-party talks were "dead and buried."

Mr. Tekere welcomed a British statement yesterday saying that efforts towards the all-party talks were continuing. He called on Britain to reconcile all positions to that of the Patriotic Front before convening the conference, and said Mr. Nkomo could not "kill the all-parties conference unilaterally."

The disagreement on the conference only thinly cloaks the much deeper split over Mr. Nkomo's secret meeting here last month with Mr. Ian Smith, the Rhodesian Premier. "We object specifically to the secret talks," Mr. Tekere said, adding that he believed Britain and the U.S. had connived in the secret initiative—a widely-held belief here.

"The Anglo-Americans were not playing it entirely clean. They were encouraging the secret game, waiting behind the bush for something to materialise," he said. "When something did not materialise they came and said, 'What next?' We said 'Where have you been?' We have been waiting for the all-parties conference for two months. Long time, no see'."

Mr. Tekere also accused Mr. Nkomo today of failing to commit his forces sufficiently to battle—the first time a ZANU figure of his stature has made this allegation publicly, although it has been said often in private.

This is certain to enrage Mr. Nkomo, who has insisted that his Zambian-based guerrillas were so effective that Mr. Smith was ready to surrender power when the two men met last month. The emotions involved will only deepen a split which seems to be the most serious since the alliance was formed.

The prospects for Patriotic Front unity are thus slight. Although it is unlikely that the two groups will be allowed by the "frontline" states to abandon the title altogether, the present split seems to formalise the fact that they have an uneasy modus vivendi, not a fully-fledged alliance. It may prove impossible for some time for the two sides to approach Western peace moves together.

Mr. Tekere did not say whether his statement had been approved in advance with Mr. Mugabe, insisting that the ZANU line was clear enough to be made without prior approval. The split seems certain to drive Mr. Nkomo closer to unilateral diplomacy.

Ethiopia food shortage worsens

BY JAMES BUXTON

ADDIS ABABA, Sept. 12.

FOOD SHORTAGES in Ethiopian towns have created a "frightening situation." Colonel Mengistu Haile Mariam, Head of State, said in his speech celebrating the fourth anniversary of the Ethiopian revolution today.

[General Fidel Castro, the Cuban leader has arrived in the country to attend the celebrations, and will be given a hero's welcome, Reuter reports.]

The food shortages could only be solved by creating a collective economy with the Government handling all food purchasing from the rural areas, Col. Mengistu went on.

In recent months the supply of food to Addis Ababa has dropped alarmingly, and there have been long queues at food shops and strict rationing.

The reasons include low production by farmers, and the effect of the wars in the south-east and north of the country. But the main reason, as Col. Mengistu said, is the near break-down of the food distribution system.

Col. Mengistu blamed "reactionary merchants" and hoarding. Observers believe farmers are reluctant to sell their grain at official prices, and say that many merchants have been forced out of business.

Col. Mengistu described Ethiopia's goal as the building of Communism, but did not announce the formation of an official political party which would involve the present military rulers handing over power to civilians.

He also accused China of assisting Somalia with arms supplies and aiding the guerrillas fighting in Eritrea, as well as arming the Ethiopian Government's main internal enemy, the Ethiopian Revolutionary Peoples Party (EPRP).

Advances made in Iran oil talks

BY ANTHONY McDERMOTT

IMPORTANT ADVANCES are reported to have been made in the latest round of negotiations between the state-owned National Iranian Oil Company (NIOC) and the Iran Oil Participants group of 14 western oil companies, known as the consortium, on a new oil agreement. NIOC, which made the announcement yesterday, said discussions would continue until there was full agreement on all subjects.

The consortium is under a service contract with NIOC through a wholly-owned subsidiary, the Oil Service Company of Iran (OSCO) to develop and produce oil from Iran's main Kuhzestan fields in the south-west of the country. The consortium produces about 91 per cent of Iran's oil, where total production averaged 5.64m barrels a day in the first six months of the year. The main participants in the consortium are BP, Royal Dutch Shell, Exxon, Standard Oil of California, Texaco, Gulf, Mobil and CFP of France.

The two sides have met several times without success, most recently in July for six days, to renegotiate the sales and purchase agreement of 1973. This agreement, whose terms are now being discussed, covers several areas crucial to Iran's oil industry. It defines how much and under what terms crude oil is to be sold by NIOC to the consortium. It provides the terms under which OSCO operates in Khuzestan and it specifies the fees and conditions under which the consortium purchases petroleum products and provides crude for the refinery at Abadan.

It has been acknowledged that the agreement has in part been overtaken by events and in part become defunct. At the last round of talks it was said that progress had been made on a number of issues, such as minimum offtake levels by the consortium, discount allowances, and the like, but that nothing would fall into place until overall agreement had been reached. A key problem was reported to be a clause giving Iran, through NIOC, most-favoured nation terms, bearing in mind particularly the terms negotiated between Saudia Arabia and Aramco, its consortium equivalent.

Australia dock strike to continue

BY JAMES FORTH

SYDNEY, Sept. 12.

THE AUSTRALIAN Government today refused to intercede in the dockers' strike which has closed all major Australian ports, and has tied up millions of dollars worth of cargo on the docks.

The strike, which started in Melbourne six days ago, appears almost certain to continue until at least Friday. The federal council of the Waterside Workers Federation decided in Sydney today to recommend to mass meetings of members at all ports tomorrow that a scheduled 48 hour strike be extended for another two days.

There is little likelihood that the council's recommendation will be rejected by the nation's 10,500 dockers. Only Hobart unionists will continue to load and unload ships on the inter-state run, as they have been exempted to keep a flow of essential supplies to the island state of Tasmania.

Dai Hayward writes from Wellington: The Sunday Times, one of New Zealand's two Sunday newspapers may be permanently shut down as a result of industrial action by newspaper unions. The newspaper did not appear on Sunday and both of Wellington's daily newspapers, the *Dominion* and Evening Post, were not published today.

$30m commercial Ghana loan plan

BY FRANCIS GHILES

THE FIRST commercial bank loan to be extended to Ghana for many years is under discussion. Standard Chartered Merchant Bank is negotiating a $50m package which will consist of two loans: a $30m two-year commercial loan, with no grace period on which the borrower is expected to pay a spread over the London interbank rate of 1½ per cent, and a $20m loan guaranteed by the Export Credits Guarantee Department (ECGD).

Standard Chartered provided a £10m ECGD-guaranteed loan earlier this summer. According to the bank, the new package amounts to "dropping bits of oil round the machine to help it work more smoothly."

Meanwhile, the negotiations between Ghana and an International Monetary Fund team which is visiting the country are understood to be going well. Ghana has already implemented one of the measures on which the IMF is believed to have insisted by devaluing its currency for the second time this year, on August 26. The Cedi was devalued by 72 per cent, one Cedi now being worth $2.75. Ghana is also prepared to halve its budget deficit, which is thought to have reached Cedis 1bn.

Ghana's external debt at the end of 1976 is believed to have amounted to Cedis 1.1585bn ($1bn). The short-term debt accounted for under a third of this figure, Cedis 345m ($300m), and medium and long-term debt accounted for Cedis 813.5m ($707m).

L. Daniel reports from Tel Aviv: The IMF has approved a $90m loan for Israel after the visit of a delegation from the Fund last month.

The loan will be for three-to-five years and will carry 4.4 per cent annual interest. It is intended to assist Israel with its balance of payments.

Cairo prepares for summit failur

BY ROGER MATTHEWS

CAIRO, Sept

THE EGYPTIAN public is increasingly being prepared for the possible failure of the Middle East peace summit being held at Camp David. The three main Government-controlled Cairo daily newspapers have become steadily more pessimistic during the past three days about the chances of President Jimmy Carter bridging the substantial differences between President Anwar Sadat of Egypt and Mr. Menahem Begin, Israel's Prime Minister.

"All the indications so far point to the fact that President Carter will not be successful in his attempts to persuade Mr. Begin to change Irsaeli policy." wrote Mr. Musa Sabri, editor of Al-Akhbar, this morning. Reporting from the U.S., Mr. Sabri said the chances for success were nil, unless there was a surprise development.

The newspaper Al-Ahram was more moderate in its language but almost equally pessimistic in its message. The tripartite summit had reached a critical stage with expectations now "very cautious" and characterised by an air of misgiving. Al-Ahram also thought that the prospects for a satisfactory outcome to the talks were dimming.

Particular stress was laid on the fact that Mr. Carter had held some 13 hours of talks with Mr. Begin but only four hours with Mr. Sadat. According to Mr. Sabri, this meant that President Carter "was making an effort to induce Mr. Begin to change his attitudes, but that so far all attempts had been fruitless."

Israeli tactics, he said, were to use the summit merely as a means to restart direct talks between the two countries, whereas Egypt continued to insist that there could be no further bilateral meetings until there was a change in Israel's policies towards the occupied Arab territories and the future of the Palestinian people. Mr. Sabri insisted that the main question to be answered was whether President Carter would now begin to put real pressure on Mr. Begin instead of merely trying to bridge the differences between the two sides.

A general debate on the overall Middle East situation is scheduled this week during the sessions of the Arab League Council. Until shortly before the opening of the first session tonight, it was unclear how many of the member countries would be present in Cairo or at what level they would be represented. Only Iraq has sent a firm refusal to attend but it is expected that Syria, Algeria, South Yemen, Libya and the Palestine Liberation Organisation will maintain their boycott of Cairo as a venue for League meetings following Egypt's severance of relations with them last year.

Mr. Mahmoud Riad, the Arab League secretary-general, will be reporting to the council on a wide-range of topics, including the ill-fated attempts to restore Arab unity. With the Camp David talks still continuing, Arab League officials see little hope that delegates will make progress on this topic. They will also be discussing plans for $1bn aid to Arabs in Israeli-occupied territories, the state of the Euro-Arab dialogue, Afro-Arab co-operation and the coming United Nations ag

● Our New York Corresp adds: United Nations Sec General, Dr. Kurt Waldh an interview with the Fi Times said he was "not happy" with the situati Lebanon where UN troop failed to subdue Ch militia elements in the In remarks which we scarcely veiled attack on I suport for the Ch militias which are refus give the UN force access t enclaves. Dr. Waldheim sa the major problem was Israel was "not using influence on the Ma troops."

Adrian Dicks writes Bonn: President Hafez al was this evening meeting cellor Helmut Schmidt. I exchange of views on th look for peace in the I East, on the second day visit that has already prc uncomfortably wide diffe of opinion between the leader and his West G hosts.

Waldheim warning of Namibi danger

By Alain Cass and Stewart Fleming

NEW YORK, Sept

DR. KURT WALDHEIM, tary-General of the UN, yesterday that failure to a settlement over the of Namibia would lead dangerous and critical si in southern Africa.

Speaking as the African Cabinet was m to consider its next step rejecting key elements UN plan to send an national peace-keeping fo the territory, Dr. Wal said urgent talks were way to salvage the init The Secretary-General to Financial Times that believed that both South and the guerrilla organi SWAPO, wanted to rea agreement. He hinted th officials were working compromise which satisfy Pretoria's objecti

Under the UN plan, a man force would be s the UN administered ter in the biggest peace-k operation in Africa sin civil war in the Congo.

Mr. Pik Botha, South A Foreign Minister, has st objected to the size c force, as well as to two key elements of the which is designed to about pre-independence tions in the territory seven months. South A other objections are t posals for an interna police force in the te and to the timetabl implementation of the pl

Dr Waldheim insiste the UN could not do a policing job in Namibi less than 7,500 troops bu gested that a compromi worked out, perhaps inv the phasing in of the U tingent over a period of He believed that this w crucial logjam to be b The other two objections be overcome more easily

Asked whether Se Council members would to impose mandatory oil tions on South Africa talks broke down, he "I cannot say what s concrete measures may but certainly there w great unease among me of the council."

Conversely, the Sec General said that an agre in Namibia would have p effects on the situati Rhodesia.

Senior officials at the U that the South African G ment's present tough po a negotiating positio internal political consum

On the crucial issue ceasefire in the war Africa refuses to sign a treaty with SWAPO Waldheim said a r declaration of non-bellig perhaps in the form of a to the UN, might be eno silence the guns.

Election dat emerges as the key issu

By John Stewart

CAPE TOWN, Sept

THE DATE of the elect Namibia (South-West A has emerged as the key in the South African G ment's willingness to p pate further in the W proposals for a settleme

This was made clear statement last night, a special Cabinet meet formulate the Govern response to the Wal report on the territory's i

The statement sai Cabinet had paid special tion to "deviations fro original proposals contai the Waldheim report" the subsequent explar offered to Mr. Pik Both South African Foreign ster, during discussio New York. The Cabinet' on these aspects and Africa's answers woul forwarded to the five W powers within 24 hours.

"The Government emphasise to the five th time factor has now bec critical importance," the ment said. It pointed ou the Waldheim report suggested the postponem the independence date f territory from Decemb this year.

من الأصل

WORLD TRADE NEWS

JK-Korea security accord ould lead to arms sales

Y CHARLES SMITH, FAR EAST EDITOR SEOUL, Sept. 12.

TAIN AND South Korea are the point of signing a norandum of understanding" nutual security which will le the two countries to pro- with detailed negotiations JK arms sales to the Korean tary forces. This was aled today by Dr. John ert, the British Minister of for Defence, at the end of o-day visit to Seoul.

. Gilbert said he had not e to Seoul as an arms sales-, but to lay the foundations uture sales efforts.

scussions on arms sales d not get down to detail out a commitment by each y to "keep the secrets of the r" on defence matters. This ld be the core of the norandum which the UK was virtually ready to sign.

ie Minister said he eciated the immense contri- on of the U.S. to Korean rity and the extent to which a's armed forces were "tied S. methods." Even so, there ld be a niche for Britain in ain types of infantry equip- t.

orea's interest in manufacturing under licence after initial direct sales would be no obstacle to doing business, Dr. Gilbert said.

British arms sales to Korea would tie in with the five-year "Forces Improvement Programme" under which the Korean Government is seeking to attain self-sufficiency in all but the largest and most sophisticated types of armament, by 1980.

Dr. Gilbert said the situation on the military demarcation line between North and South Korea was fundamentally tense and not likely to improve in the near future.

On the question of the U.S. troop withdrawal from South Korea—scheduled to be carried out over a five-year period to the early 1980s—Dr Gilbert said he thought the Koreans were still waiting to see if it could really happen.

During his two days in Seoul, Dr Gilbert met the Korean Defence Minister, the Vice-Ministers of Defence and Foreign Affairs and the Minister of Transport.

Discussions at the Transport Ministry centred on Korea's plans for building a new port on the south-west coast of the peninsular, which would equal or exceed the size of Pusan Harbour, now the main port on the south coast.

Port work would be carried out by the Korean construction industry which has recently made a name for itself with similar projects in the Middle East. Britain, however, could expect opportunities to sell sophisticated cargo-handling equipment.

Dr. Gilbert's visit to Seoul follows a visit earlier this year by Sir Ronald Ellis, the head of defence sales at the Ministry of Defence.

Another related development was the recent disclosure by Korea's Samsun Group that it had signed an agreement with Rolls-Royce for the supply of technology for the manufacture of gas turbine engines.

Samsun, the largest of Korea's industrial combines has been picked by the Government as a main developer of the domestic aircraft industry.

● Indonesia has agreed to buy arms, including tanks, from France, Reuter reports from Jakarta. A military spokesman said the arms would include equipment for the navy and the air force.

Bonn and Moscow co-operation talks end

By David Satter

MOSCOW, Sept. 12.

SOVIET and West German trade and economic leaders today concluded their eighth bilateral joint commission meeting after two days of wide-ranging talks on implementing the 25-year economic co-operation agreement signed at the Soviet-West German summit last May.

Among the subjects taken up by the high-level delegations were West German-Soviet co-operation in third-country projects, Soviet business with small and medium-sized West German companies, and the low level of Soviet tourist, transport and insurance expenditure in West Germany.

The West German delegation was headed by Count Otto Lambsdorff, the Economics Minister, who also met Mr. Alexei Kosygin, the Soviet Premier, for an hour and a half yesterday. The Soviet delegation was headed by Mr. Nikolai Tikhonov, the First Deputy Premier.

The two sides identified the machine building sector as an area of potential Soviet-West German co-operation in third countries. No concrete issues were discussed but Deutsche Babcock, the West German heavy engineering company, recently signed an agreement with the Soviet Union providing for joint work on the design and manufacture of power station equipment for the Soviet market and in third countries.

During the talks, the West Germans agreed to try to establish an information service for Soviet customers on the capabilities of small and medium-sized West German companies.

Soviet-West German trade is at present expanding, having risen 19 per cent during the first half of 1978 compared with the equivalent period of 1977

Oil price rise and $ fall linked in 'vicious circle'

BY JAMIE BUCHAN TAIF, Sept. 12.

PRIME MINISTER Takeo Fukuda of Japan warned today that the world faced an economic "vicious circle" of a declining value of the U.S. dollar and increases in the price of oil.

Further depreciation of the oil pricing currency will induce oil producers to seek compensation, while "another large increase in the oil price would further reduce the value of the dollar," Mr. Fukuda told a Press conference in the Saudi Arabian summer capital of Taif.

Mr. Fukuda expressed his fear this morning to Crown Prince Fahd, regarded as the arbiter of the Saudi policy of oil price restraint. "I have asked the Crown Prince that the Kingdom continue this policy and I am sure he has taken my point," Mr. Fukuda said.

"I hope that any future price increases will be modest and reasoned ones," he said in a clear reference to the coming OPEC Ministers' meeting in Abu Dhabi on December 16.

The Japanese Premier is in Saudi Arabia at the end of a week-long tour of Middle East oil-producing countries, which between them supply Japan with 80 per cent of its oil requirements. Saudi Arabia alone provides 30 per cent.

According to members of the Japanese delegation—which included Foreign Minister Sunao Sonoda and the leading adviser to the Japanese Finance Ministry—the two sides also discussed future oil supplies from Saudi Arabia.

Japan pledged in July at the summit of leading industrial nations in Bonn to strive for a 7 per cent growth rate next year, based on a 5 per cent rise in Japanese oil demand. "Our stockpile of oil is for about three months and we would like to increase it," Mr. Fukuda said.

Increased oil imports would also have the virtue of reducing the Japanese balance of payments surplus, another Bonn promise.

But no mention was made either at the Press conference or in a joint communique issued immediately afterwards, of reports that Japan was seeking a crude oil commitment in return for the participation of Japanese companies in an ethylene petrochemicals complex at Jubail.

A consortium, led by Mitsubishi, has prepared a feasibility study

Japan to boost China energy

PEKING, Sept. 12.

JAPAN AND CHINA agreed in general terms today to co-operate in developing China's oil and coal resources.

Mr. Toshio Komoto, Japanese International Trade and Industry Minister, who arrived yesterday for a five-day visit, met Chinese Petroleum Minister Sung Chen-ming and Coal Minister Hsiao Han today.

Mr. Komoto said later he had told Mr. Sung the Tokyo Government was prepared to support and co-operate with Japanese companies involved in Chinese oil development.

He quoted Mr. Sung as saying that China believed it was possible to develop "ten Tachings." Taching in the north-east is China's biggest oilfield and the Peking Government has talked of developing ten similar sized fields in the next 20 years.

According to Mr. Komoto, Mr. Sung said that China looked forward to co-operating with Japan in oil development.

The Japanese Minister said more specific talks would be held when a mission from the semi-governmental Japan Petroleum Corporation visited Peking late this month. Reuter

Ray Perman, Scottish Correspondent, writes: Anderson Strathclyde, the Glasgow mining equipment manufacturer, expects further orders from China following the confirmation of a £13m contract to supply cutting machines and face conveyors to the State purchasing agency, China National Technical Import Corporation.

The order was negotiated alongside those announced earlier this week by the Dowty Group, which is providing £70m worth of roof supports, roadway conveyors and electrical equipment, and Gullick Dobson, which is supplying roof supports worth £18m.

The three companies have been negotiating with the Chinese since January. They tendered together in China five years ago, but this time were acting separately at the request of the Chinese.

Hilary Barnes in Copenhagen writes: East Asiatic the large Danish trading company, yesterday signed a contract in Peking for technical consultancy services in connection with the modernisation of Chinese harbour facilities. The contract concerns the ports of Tien Tsin and Shanghai.

John Walker in Stockholm writes: A group of top industrial political leaders from China are due to arrive tomorrow for a two-week visit to study Swedish railways and allied systems. The team is led by the Minister of Railways, Mr. Tuan Chun-yi, and includes the Deputy Minister of Railways.

It is hoped that the visit will result in an order for railway rolling stock and equipment.

Warning by GATT on effects of inflation

By David Freud

HIGH RATES of inflation are a major reason for the inadequate growth of the developed countries, according to a study published today by the General Agreement on Tariffs and Trade

The study says it is increasingly difficult to explain the inadequate growth and unusually high unemployment in terms of deficiency of aggregate demand. After three years of consumption-led recovery, investment in plant and equipment still remains weak.

New investment is required in the developed countries to adjust to pressures for change. The weakness of such investment, concludes the study, is due to the high level of inflation, which increases uncertainty while pushing down the rate of return on industrial capital.

There are several kinds of inflation-generated uncertainty. Investment decisions depend on estimates of future relative prices of inputs and outputs, but inflation not only raises the average price level, it also raises individual prices by different amounts.

For this reason the prices relevant for prospective investors at rapid rates of inflation become even less predictable and many investment projects must be postponed.

The study adds: "There is the problem of predicting the government's policy reaction to an increasing or persistently high rate of inflation. A fiscal-monetary tightening will affect future capacity-utilisation rates; price controls might create a profit squeeze just when the profit would come on stream; trade controls might affect both the prices of the project's inputs and its export chances."

These uncertainties may reinforce each other in a vicious circle.

Adjustment, Trade and Growth in Developed and Developing Countries. GATT studies in International Trade No. 6, Geneva. $8.

Closer scrutiny of Polish deals

IY CHRISTOPHER BOBINSKI WARSAW, Sept. 12.

: POLISH authorities have ited a stricter approach to ining the viability of com- ation trading deals with tern companies.

iis is reported in the Polish newspaper Zycie Warszawy, h says that "lately all pro- ls for further undertakings is kind are being examined a significantly greater ee of scrupulousness and aint."

ie author of the article, Mr. yk Chadzynski writes that year 50 projects worth 189bn , financed on the compensa- principle, whereby repay- t is by product or other goods er than currency, were being sed in Poland.

According to Polish banking estimates, he writes, only 55 per cent of the plants which had said that they would reach target production in 1977 actually did so.

The construction industry, the building materials industry, the food industry and some investors in the chemical industry managed to overfulfil their plan.

The plan remained unfulfilled, however, in the steel industry and in the heavy machine and agricultural machine industry.

Among compensation trading projects cited as behind are the heavy rolling mill in the Bierut steelworks in Czestochowa, the extension and modernisation of factories in Gorzow and in Ostrow Wielkopolski, which are part of the Ursus tractor plant redevelopment and the third stage of the development of the copper ore enrichment works in Lubin.

There are also delays at the zinc works in Miasteczko Slaskie and at the Glogow copper works.

According to the article, 12 compensation projects were finished ahead of schedule in 1977. They include the polypropylene plant at the Plock refinery and the Ponar-Wroclaw machine tool factory.

Third World side-steps North-South dialogue

Y K. K. SHARMA BUENOS AIRES, Sept. 12.

VELOPING COUNTRIES, ay side-stepped the slow rth-South dialogue and nched a new "South-South" vement that aims at trade cooperation among third ld nations for their own efit.

he movement formally gets ng today under the chinery of the United ions. It reflects the frus- ion of the Third World h the slow progress towards iating the much-talked ut "new international nomic order" first promised rly two years ago in Paris. he effort now will be to ness the energy and now-how" of the Third rld for its own social, nomic and technological rovement. In a detailed an of action" adopted ay by the United Nations iference on Technical peration among Developing Countries (TCDC), the effort is mainly for "national and collective self-reliance" but it considers the help of the advanced countries to be necessary as well.

Although the OECD countries had considerable reservations about the new TCDC movement, particularly its financing and institutionalisation as accomplished today, they have given it their support.

The OECD countries, and the Comecon bloc, have thereby committed themselves to not only backing the TCDC movement but also to providing additional funds though this has not been quantified.

Developing nations have also agreed to earmark a percentage of their allocations under the UNDP programme for financing TCDC projects at bilateral and sub-regional levels.

mproved access to EEC ought for ACP nations

Y HUGH O'SHAUGHNESSY

BENEFITS to the countries frica, the Caribbean and the fic (ACP) arising from the ent Lomé convention with EEC are minimal and in re the ACP countries should iven assured and preferential ss on a long-term basis to markets of the EEC.

iis was stated by Mr. Matthew ueen of the Economics artment of Reading Univer- at a seminar on the impend- renegotiation of Lomé held erday in London by the olic Institute for Inter- nal Affairs.

. McQueen called for a ion of the rule of origin for imports from ACP countries action to identify production marketing constraints within the EEC and the ACP tries.

. Vincent Cable, deputy ctor of the Overseas Develop- t Institute, called for a more al approach by the Com- ity to the developing world de the ACP area and greater e facilities for the poorest tries of South Asia. He ed that the present Lomé ention obtains benefits for nembers by diverting trade aid from other less deve- d countries.

Criticism of the workings of the European Development Fund of the EEC were voiced by Mr. John Hills of Birmingham University who claimed that the slow rate of disbursement of EDF assistance and the high cost of technical assistance from the EEC made Community aid very much less valuable than it appeared.

The liberalisation of the terms of the EEC Stabex fund for the support of ACP's earnings from certain commodities and an increase in the budget allocated to it was suggested by Professor Reginald Green of the Institute of Development Studies at Sussex University.

ACP countries should become eligible for drawing from the Stabex fund whenever earnings from covered products fell below a 5 per cent annual growth path of real import capacity, he said.

The meeting, which was attended by a number of officials and representatives of ACP and EEC governments heard some praise of the Lome arrangements and a call for increased pressure by the ACP countries on the U.S., Japan and the Soviet Union and its allies for similar trade and aid arrangements to those obtaining under Lomé.

hipping frauds warning

Y DENZIL STUART VIENNA, Sept. 12.

IKS and finance houses ld be increasingly on their d to detect and prevent is or doubtful shipping deals, h are hitting marine insurers hard, with losses running millions, the International m of Marine Insurance con- nce was told today.

vo leading London under- ers, Gordon Hutton of Lloyd's Geoffrey Merriman, chief ine underwriter of General dent, asked banks all over world to be extremely care- when financing shipments ied by any vessel which may considered substandard for reason, when the subject of plained ship losses and cargo ds dominated today's conference discussions.

They also called on all underwriters to educate banks and other organisations about what has been happening in the "murky" waters of marine insurance.

Even the busiest trading routes in the world, across the North Atlantic, are not immune from a type of insurance loss which is symptomatic of the world-wide slump in the shipping industry.

Underwriters have been facing cases of ship scuttlings, ship owners and charterers going bankrupt, cargoes which have disappeared or been sold off illegally, forged documents, and short deliveries of goods.

Britons 'want troops to quit Ulster'

By Our Belfast Correspondent

A REPORT after a study of public opinion concludes that the majority of British people would find a withdrawal of troops from Northern Ireland the most acceptable solution to the Ulster question.

A team of researchers at Strathclyde University, Glasgow, which has examined the results of dozens of opinion polls over the past 10 years, says that the second most popular "solution" favoured by the British is that the two parts of Ireland should be encouraged to unite.

In Ulster itself, the study confirms that direct rule from Westminster is accepted by most Protestants and Roman Catholics as the best alternative for governing Northern Ireland.

The research team, led by Prof. Richard Rose, said that direct rule was not what most people in Ulster wanted, but it was what most would accept "as second best" or "the lesser evil."

The team says that sooner or later Britain will have to find a long-term policy for governing Ulster.

It says: "If a British Government wished to do what most Ulster Protestants and Catholics would accept, on the evidence reviewed here, it would concentrate on improving institutions of direct rule."

Cifer given ICFC loan

CIFER SYSTEMS, second largest UK maker of visual display units for the computer industry, has received a £30,000 loan from the Industrial and Commercial Finance Corporation.

Mr. Geoffrey Craddock, Cifer managing director, said the money was needed to meet its growing capital requirements. Founded in 1972, the company, at Melksham, Wilts., had shown a 100 per cent annual growth for the past four years. Extra capital was also needed to develop a more flexible range of visual display units, which can display graphics.

This is the corporation's second loan to the company. In 1976 Cifer received £75,000 toward its 10,000-ft factory, where it now employs 65 people.

Separate accounts ended in reform of party finances

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

LIBERALS at Southport

REFORM OF the Liberal Party finances, including the abolition of all "hidden funds" which do not appear in the annual accounts, was announced by Mr. Monroe Palmer, the party treasurer, at the opening session of the Liberal annual assembly yesterday.

The controversial special seats fund which operated separately to support marginal constituencies has been scrapped.

Mr. Palmer told delegates that as far as he knew there was no truth in a report which alleged police were investigating the party's financial affairs.

During a stormy session on the annual report and accounts he promised that, following a detailed investigation he had made, there were no longer special accounts which did not appear in the general balance sheet. He said that Mr. David Steel, the party leader, had given written confirmation of that.

One of the delegates Mr. John Smithson, the party's community politics co-ordinator, complained that the separate accounts had made the financial affairs of the party a "disgrace and a shambles."

He protested: "We are leaving ourselves open to these sort of disgraceful smears and allowing them to stick."

He was particularly angered at the failure to give a breakdown of how the money was spent in the Liberal Central Association account which is set aside for the financing of the Liberal Party at Westminster.

Mr. Palmer explained that "in the light of various accusations" he had investigated the special seats fund and had looked at all the other separate funds, and the position of "money no one knows about."

He said: "I can assure you that there are none whatsoever at the moment. There is nothing you don't know about as far as I know." There had been £200 in the special seats fund but this had been transferred to the main party account.

He referred to a newspaper report of the previous day which alleged that police were investigating Liberal Party finances and interviewing party officials.

"I have never been approached by the police," he said. "If the police were carrying out any investigation of the Liberal Party whatsoever they would at least say something to those in that organisation."

Mr. Alan Beith, Liberal Chief Whip, promised that in future the party treasurer would be handling the central association fund and that steps would be taken to make sure that the way it was spent was better known and understood within the party.

The accounts for 1977-78 show an improvement in the party's finances. There was a surplus on the year of £24,668 which had halved the accumulated deficit to £24,907.

Income from constituency affiliation fees was down and preparations for the expected October general election had, said Mr. Palmer, been a "nightmare" which had meant spending several thousand pounds.

He warned that money was now desperately needed to keep the party going and unless constituency affiliation fees improved "we will have to sack staff. I put it as bluntly as that."

He added: "I am determined that in no way is this party going to get into the vast deficit that it had in the past."

We must assert our independence—president

BY OUR PARLIAMENTARY STAFF

THE LIBERALS must assert their independence from Tories and Labour and see their prime role as a "party of the libertarian left," in preparing for the general election Lord Evans of Claughton, the Liberal president, told delegates.

In his opening statement he said the party had the opportunity this week to demonstrate its faith in successful profit-sharing, worker participation and co-operative enterprise.

It had survived the period of the Lib-Lab pact and had had an invaluable taste of government. As a result it had a greater knowledge of the pitfalls and techniques of co-operative politics.

Review group aims to make policy-making more efficient

BY RUPERT CORNWELL

THE LIBERALS are undertaking a major review of the party's internal workings to try to make policy-making more efficient and possibly open the way for a more federal structure.

The issue is being studied by a working group which yesterday sounded out delegates. Preliminary proposals will be put forward next spring, to go before the 1979 Assembly in the autumn.

Pressure for the overhaul, which would be the first since 1969, stems from the experience of the Lib-Lab pact. This gave the Parliamentary Liberal Party at Westminster real political responsibility for the first time in many decades.

But it also exposed grave weaknesses in the party's organisation and led to considerable disagreement between the 13 MPs and activists, many of whom disliked the deal with Labour.

Replies to a working group questionnaire, headed by Mr. Gordon Lishman, show six principle point of dissatisfaction. The main complaint is over the lack of any clear mechanism for taking key political decisions and deciding policy.

Most unhappiness appears directed at the 60-strong National Executive committee, which is generally believed to be overmanned. Of the 26 NEC members polled by the group, none felt it was doing its job well, only ten passably, while 16 said it was doing badly.

The reformers want the body, at the fulcrum of the Liberal constitution, reduced to about 30, and its position clarified in relation to the other committees which it overlaps.

Call to change housing finance

BY OUR LOBBY STAFF

PROPOSALS FOR an overhaul of Britain's housing system will be debated by Liberals today. The motion condemns the present system of housing finance as chaotic. It calls for a housing tax credit scheme, and suggests reducing or waiving the interest local authorities pay on their housing debts.

The motion has been influenced by the experience of Liberals in Liverpool, where they control the City Council. It includes the idea of a tenants' charter, which is now being mooted for possible inclusion in the Queen's Speech.

The basic idea is that everybody should have the choice of renting or buying their home, and that those renting should have the same control over their homes as those who have bought them.

There must, the motion says, be a wide choice of tenure. Owner occupation should be positively encouraged, and all councils should build low-cost homes for sale, as had been done in Liverpool. Management co-operatives should be set up for community housing, with the tenants having control over their own homes, and council houses which have proved impossible to rent should be sold at nominal value.

Tax credits would form the basis of the party's housing finance system. Tax credits would be given against both rented and unoccupied houses, and would be related to the size of families.

The mover of the motion, Mr. Cyril Carr, housing working party chairman, said the measures envisaged the same kind of priority for housing which was put on the production of Spitfires during the war. Only solve the housing problem.

Tyne and Wear may leave promotion council

By Anthony Moreton, Regional Affairs Editor

A FURTHER blow to the work of the North East Development Council (NEDC) fell yesterday when the ruling Labour group on Tyne and Wear County Council said it is to recommend withdrawal from the NEDC. Last April Cumbria County Council also withdrew.

A motion proposing withdrawl is likely to be put to Tyne and Wear at its next full council meeting on October 18, Mr. Michael Campbell, Labour leader, said in Newcastle today.

It is understood that the minority Tory group will support the motion. Mr. Arthur Grey, Conservative leader said: "There has been a lot of criticism about the way the NEDC has set about doing its job."

Tyne and Wear's withdrawal would be a serious blow to NEDC although not one impossible to survive. The development council has a budget of £488,000 a year, of which £275,000 comes from the Government, £192,000 from four county councils (Northumberland, Durham and Cleveland are the others) and the remainder comes from industry, commerce, unions and sales of publications.

Devolution

Tyne and Wear's contribution this year is the largest of the councils' £83,98. Six months' notice of withdrawal has to be given.

Mr. Campbell said there was a general feeling that the work of the NEDC should be restricted to promotion and publicity.

The NEDC has two main roles. The prime one, taking up most funds, is attracting investment to the area. Three years ago, in response to demand, it moved into overseas trade missions and has since sponsored 25 of them. It claims to have brought in orders worth £70m to the area.

Tyne and Wear's decision comes as no real surprise in the North-east. Many people have not forgiven the development council since, at the request of Lord Glenamara, then its chairman, it sponsored a forum on devolution at which Mrs. Margo MacDonald, senior vice-chairman of the Scottish National Party, spoke.

It was also criticised for supporting the attempt to upgrade Teesside Airport from category C to category B, a status only accorded in the North-east by the Government's White Paper on regional airport policy to Newcastle.

Port authority expects to double its loss

BY LYNTON McLAIN

THE UPPER DOCKS which the Port of London Authority wants to close have lost as much money in the first half of this year as in the whole of 1977.

Interim figures to be published later this week are also expected to show that the total PLA losses for this year have doubled from £8m last year to £15m or £16m this year. Of this total loss, the operating loss has contributed £6m, again double that of last year.

A "dramatic reduction" in the level of general cargo handled by the port, and in particular by the Upper Group of Docks comprising the Royals and the India and Millwall Docks, is responsible for the further downturn in the PLA's performance, the authority said last night.

"All around us shippers are leaving and even if all the other general cargo ports in Britain were to give the Upper Docks their trade, this would not make the docks viable," said the authority.

A fundamental change in the way cargo is handled tributed to the fall in ance. Last year Brit handled 44.3m tonnes in the form of contai general cargo and in 1985 the total is expe 68.7m tonnes, but the of general cargo, the of the Upper Docks, slipped from last y tonnes to 15.6m. Of th cargo, only 40 per cen tonnes would be su handling by the Upp with the rest handled efficient bulk and ports.

The move towards containers and aw general cargo handling is certain to become nounced. The full moves to apply con UK trade with South Caribbean and New Ze yet to be felt. But conversion is complet the next five years, the even less chance that Docks can be made PLA said.

Experimental motorw surface cuts costs

BY LYNTON McLAIN

AN EXPERIMENTAL stretch of motorway link-road to be opened near Chesterfield, Derbyshire, on Friday, has cost a fifth less than a conventional road, but is expected to last just as long.

The £3m Hasland by-pass joining the M1 incorporates a previously untried surface designed by Professor Peter Pell of Nottingham University.

The top layer of the road is made up of bitumen material four times as dense as that used on conventional roads. This eight-inch surface tops dry granular stone n the same thickness, wh half the depth used roads.

This design change a reduction in buil from £9.50 a sq. m. to

The road has been Derbyshire County Co Department of Tran last night that it had involved with the n and had no plans t cheaper construction

Plan to spend £600m on Welsh roads

BY ROBIN REEVES, WELSH CORRESPONDENT

THE GOVERNMENT plans to spend £600m over the next ten years on improving roads in Wales, Mr. Barry Jones, Under Secretary, Welsh Office, said in Cardiff yesterday.

With completion of remaining sections of the M4 in South Wales the emphasis will switch to North Wales.

Work will begin in earnest on 46 miles of dual carriageway between Chester and Bangor, costing £180m at 1976 prices. Some tunnelling will be involved, and it is intended to build up the construction workforce coincidentally with the rundown of the massive Dinorwic hydro-electric scheme.

Mr. Jones was confident that when this road was completed in the mid-1980s, summer traffic jams on the North Wales coast road would become largely a memory.

A strategy document also promises North Wal carriageway from C Chirk at a cost of £4

In the south, a dua way between Raglan gavenny, will complete links between the he valleys and areas to t

But hopes of a improvement in road cation between north Wales have not been

Mr. Jones said that would stay on East-W since these were ess the industrial regen Wales. At the same t on further sections of between Cardiff and C —and notably complet dual carriageway to Tydfil—would be upgr

Grandiose schemes links across the Seven estuaries, Mr. Jones were subject to ma considerations.

FMC to shut Brierley Hill bacon works

BY CHRISTOPHER PARKES

MARSH AND BAXTER, a bacon factory at Brierley Hill, West Midlands, was once the biggest in Britain, is to be closed on December 8 as first stage in a rationalisation project by its revamped parent company, FMC.

Mr. George Cattell, group managing director of FMC, the biggest meat processing and distribution business in the country, said yesterday that production capacity at the Brierley Hill factory would be replaced elsewhere in the group's network of 11 bacon works.

The Marsh and Baxter range of products would continue to be marketed.

Brierley Hill, which once employed 1,800, now provides jobs for only 200.

The 4,000 pigs being processed each week at Brierley Hill would be diverted to other plants. Some would go to Dunmow, some to Harris of Calne, Wilts; Ipswich; Melton Mowbray; and Chippenham.

All these factories had been short of pigs recently.

Mr. Cattell said Brierley Hill was about 100 years old, very large and unfit for modernisation.

"The closure is the first major move in our policy of streamlining, rationalisation and modernisation," he said.

Further changes would be announced. "There will be some expansion and some contraction in old factories which are just not worth modernising."

Asked if he intended to maintain and if possible expand bacon production from FMC as a whole, Mr. Cattell replied: "Emphatically yes."

Other moves on the way include transfer of a bacon-packing factory for the pre-pack market from Castle Bromwich to Calne.

Mr. Cattell complained that too much discounting was disrupting the bacon market at present.

Some suppliers are known to cut "official" list prices by about 10 per cent. But FMC's bacon business generally was still making a profit.

Mr. Cattell took over the reins at FMC in April when the group was showing a loss of £423,000 in the first half of the year.

The loss was mainly attributable to the vagaries of market, and industry continue to blame the ties on the Common monetary compensator subsidies, which en Danes and Dutch to unfairly, the British sa UK bacon market.

At the time of Mr. appointment the Price sion commented that th in the British bacon would almost certainly unless vigorous action to arrest it.

"In this context it inappropriate to recom triction of margins in tribution."

Since then the first-h of British bacon in Lo risen £80 a ton to Further increases are in the next few weeks.

Small comp service help 500th client

A COUNSELLING ser small companies is he 500th client since it w lished by the Departme dustry a year ago.

The service, based castle, Teesside Polytec Cockermouth, has help companies in Northu Tyne and Wear, Durha land and Cumbria. It mated to cost £45,000 a

The counsellors are al or semi-retired busines with a wide range of and companies with p problems are put in con the people who can be them. Examples have companies wanting to the image of their prod better sales and ad literature, or reorgan book-keeping methods.

New bridge

WORK IS due to start l month on a third cross the River Trent in Nottin a cost of almost £1m. Th will improve access to ham Forest football gro

Managers launch Europe campaign

BY JASON CRISP

British Institute of Management, hoping in the long term, managers will have legal ...s to representation and con...tion in the EEC, is to start ...mpaign for managers' views ...e represented to the European Parliament and the Commission itself.

...meeting of European managerial and industrial bodies in ...ion next week will discuss ...s for a European "managers' manifesto" along the lines ...ne already produced by the ...

...ovided agreement is reached, European manifesto will be ...ished in each of the languages of EEC member countries ...sent to all candidates in the ...coming European elections, Sir Derek Ezra, chairman of Institute, introducing the annual report yesterday.

The manifesto will indicate ...e Community's new Parlia... the sort of policies managers would like to see implemented," he declared.

Mr. Roy Close, director-general of the institute, added: "We would like to see a strong organisation of management institutions and similar bodies. Everyone else is organised except managers. We want to influence political opinion."

The bodies meeting to discuss the European manifesto include France's Institut de l'Enterprise; Enterprise et Societe from Belgium; Institut de Deutschen Wirtschaft and Stiftung Gesellschaft und Unternehem from Germany; the Irish Management Institute; and the Confindustria from Italy.

Sir Derek also announced that the BIM is shortly to set up a "high powered" working party to look at ways in which representations to the UK Government might be put on more formal basis.

A working party would study how the institute could have regular access to the Government. "We would like a system where we could be consulted as of right and by law."

The move to seek increased representation in Europe is to run in parallel with BIM's efforts to seek a greater participatory role in UK affairs.

Reviewing the year, Sir Derek comments in the report: "One of the most significant reasons for BIM's emergence as a representational body is the degree of denigration of UK managers which it has been our members' misfortune to endure over the past years.

"It was appropriate, therefore, that we should choose the need to rectify this as one of the first priorities for the new role."

Sir Derek adds: "A major consequence of the poor image given to managers and management in manufacturing industry, not least by the media, has been to discourage able young people from seeking a career in management. This is a serious issue for the nation."

Rules on gold buying relaxed

BY MICHAEL BLANDEN

THE BANK of England has relaxed some of the restrictions on U.K. residents who want to buy gold for industrial purposes.

Under an exchange control notice issued yesterday, those residents who require gold only of a fineness of 9 carat or less will be able to get approval for purchases from authorised dealers in gold. These authorised dealers include all the authorised banks and two firms of bullion brokers.

Applicants wishing to buy gold of this low fineness will no longer need to give details of their experience of work in gold and other precious metals, or of the particular industrial use for the gold.

UK residents who require finer gold will remain subject to the present gold licensing arrangements operated by the Bank's gold and foreign exchange office.

Airport plans get go-ahead

MR. BRUCE MILLAN, Scottish Secretary, announced in Dundee that he had withdrawn his opposition to any further development at Dundee Airport.

This means that the re-siting of terminal buildings alongside the new runway can go ahead.

Consumer group stakes its claim to tackle economic policy

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

ON THE eve of the national consumer congress, which opens in Edinburgh on Friday, the National Consumer Council has staked its claim to become the credible voice of consumers with Government and rival both the TUC and CBI for a place in discussions on economic policy.

The council made that clear by publishing yesterday its first economic manifesto, to establish the consumer's case in such areas as pay policy, import controls and competition policy.

The publication represents a fundamental shift in the council's philosophy and tactics since it was set up 3½ years ago by the Labour Government to champion the underprivileged and inarticulate consumer.

It comes as the council searches for a structure to encompass the disparate views of the consumer movement in Britain. Friday's congress is the first organised by consumer groups themselves, albeit still under the auspices of the council.

The economic manifesto and the structural changes reflect the council's changing role and the evolution of the consumer movement in Britain.

When it was set up in 1975 the council was meant to act as a thorn in the side of the Government and industry. Some politicians felt that the Consumers Association, which had pioneered and largely developed the consumer movement in Britain for 20 years, represented the middle-class too strongly because of its financial dependence on sales of the magazine Which?

Moreover, the framework of consumer protection had largely been created by a succession of Acts. These ranged from the Trade Descriptions Act of 1968 to the Supply of Goods (Implied Terms) Act, 1973, Fair Trading Act, 1973, Consumer Credit Act, 1973, and the embryonic Unfair Contract Terms Act, which became law last year. That legislation had not only tightened control over misleading and deceptive trading practices but had strengthened the consumer's position in civil law.

The National Consumer Council, therefore, was aiming at areas such as housing, social services and nationalised industries, where consumerism

Mr. Michael Shanks: "Inadequate recognition by Government."

was in its infancy. The council was given no statutory powers but a Government grant, now £600,000 a year. In spite of that link with the Treasury, the council has remained determinedly independent of Government influence.

Largely because the council was invading new territory, but also because of the flamboyant style of Mr. Michael Young, its first chairman, the council fast developed a reputation for aggressively pursuing previously unchampioned causes.

It persuaded the Department of the Environment to include in a circular to local authorities its views that council house tenancy agrements were unduly one-sided in favour of the local authority.

The council has also heavily criticised the nationalised industries for acting as monopolists without due regard to the consumer. In two separate reports it has called for a complete reorganisation of arrangements for consumer representation and changes to fuel tariffs.

The council is proud of its success in persuading the Britsh Gas Corporation to charge consumers automatically on the most favourable tariffs: about a quarter were being overcharged. This year the Post Office appointed two consumer representatives to its Board.

The change in strategy towards a more persuasive approach coincided with the arrival of an established economist, Mr. Michael Shanks, as the council's new chairman, as well as Mr. Jeremy Mitchell from the Office of Fair Trading.

Mr. Shanks's philosophy, spelt out in the council's latest annual report, is that "there is still inadequate recognition by Government of the importance of ensuring a consumer input to major discussion of economic and social policy."

Seeking to make the council's voice more readily accepted in Government circles, Mr. Shanks and council officials produced an economic manifesto.

The document, called Real Money, Real Choice, calls for:—

- An advisory pay policy council to determine pay guidelines in relation to economic policy;
- A new Competition and Efficiency Commission to be established to monitor pay deals as well as the overall efficiency of British industry;

Mr. Michael Young: flamboyant style

- A tougher Government line on competition policy, especially over mergers and restrictive practices;
- Revisions to the EEC's common agricultural policy to benefit the consumer and taxpayer;
- Import controls in general not to be applied as they would offer no immediate benefit to the consumer.

Banks urged to train staff to advise small companies

BY MICHAEL BLANDEN

...KS WILL have to pay more ...tion to early specialist train... for their managers to meet ...needs of small companies, Tim Bevan, deputy chairman ...arclays Bank, said yesterday.

...told the Institute of ...ers' annual Cambridge ...ar that although the banks ...t reorganise to offer customers more specialist advice, "it ...ifficult to see the branch ...ger ever being totally ...anted by the small business ...er or any other non-line ...alist."

...Bevan recognised that ...unication between the bank ...ger and his small business ...mers might present difficul... There were, he said, psycho...l differences, since the ...al small entrepreneur was ...ative, skilled in his trade but financially unsophisticated, and the banker worked within a hierarchical system that placed importance on different qualities.

The different points of view were not always compatible and "can lead to situations where each side is intolerant of the other." The banks recognised the difficulty, Mr. Bevan said. Both sides required greater effort to achieve the flexibility needed.

On suggestions for a Government-backed guarantee scheme for small business loans, Mr. Bevan commented that official thinking appeared to be that "there is no conclusive proof that a scheme is needed or that, if introduced, it could be made both self-supporting and attractive."

There was a need, he suggested, for selected bank staff to be given formal small business training, followed by attachments, perhaps as district advisers, to build-up experience. They could then progress into branch management in the normal way.

...ore money for rural ...us services promised

...LYNTON McLAIN

...WILLIAM RODGERS, ...port Secretary, defended ...Government subsidies for ...transport last night with ...mise of greater subsidies ...us services in rural areas.

...provements in public trans... were the most urgent ...ty of any government, he ... They were essential in ...areas if the decline in the ...y of country life was to be ...l.

...Government was spending ...a year on transport sub... and concessionary fares ...for the first time, it had ...recognised that buses as ...s trains needed substantial ...support, he said at a ...ng of the Dover branch of ...abour Party.

...al authorities had been told ...ovide a minimum half-fare ...ak concession for old people ...all-day concessionary fares ...e blind and handicapped. ...Government had backed this ...extra resources in the latest ...support grant settlement.

...the railways, support of ...£3,000m for several years ...was guaranteed through ...ransport Act, he said. The Act also called on every county council to prepare an annual public transport plan, which would include a "charter for the rural areas."

UK furniture deliveries fall

Financial Times Reporter

FURNITURE deliveries in July, at £60.6m, were £12.3m lower than in June but £13m higher than in July, 1977, according to Department of Industry figures based on current values.

On a seasonally adjusted basis, the Department's index for deliveries (1970=100) for the three months May to July was 158. This was 6 per cent lower than the index for the previous three months, but 15 per cent higher than in the May-July period last year.

The index of orders on hand, also on a seasonally adjusted basis, stood at 135 for May-July—down 9 per cent on the previous three months, but 3.5 per cent above the level of a year ago.

...NTRACTS

...hree ICL computers ...r Woolworth

...ICL Computers worth a ...of £3.8m, have been ordered ...W. Woolworth and Co. — ...o be delivered next year, ...third machine in 1981.

...ed by these machines, the ...of Woolworth's new com... operations will be the ...lised ordering system ...ed by the company's own ...processing team. This will ...e twice-weekly re-ordering ...984 Woolworth stores in ...K. The system will place ...direct with over 1,000 sup... as well as from two ...lised warehouses.

...s planned that by 1982 all ...ompany's systems will be ...ted and running on the ...machines, which comprise ...900 computers and a dual ...nachine.

★

...& Lyle Engineering has ...an order worth about ...00 with BRITISH ROPEWAY ...NEERING CO. (Glover ...— Capper-Neill organi...), Sevenoaks, Kent, for the ...and supply of plant to ...e raw and refined sugar at ...non in the Philippines ...a new refinery is being ...alongside an existing raw ...plant. Delivery is to be com... in eight months.

★

...s valued at £400,000 for ...2000 process control equip... to be applied to two plants ...single site here have been ...ed by HONEYWELL. The ...system will operate from a ...on control room, but each ...will have its own suite of ...CRT displays and intelli... keyboards. The micro...ssor-based equipment will ...vise a vacuum distillation ...being built by Bechtel Great Britain on behalf of Pembroke Cracking Company, a gas plant for Gulf Oil's Milford Haven refinery.

★

Bulk plant worth £165,000 for storing and handling lead oxide powder, designed and engineered by SIMON-SOLITEC, Gloucester (a Simon Engineering company) is to be installed in a new £2m turnkey car battery manufacturing plant being built by Tungstone Batteries, Market Harborough, Leicestershire.

★

SPERRY GYROSCOPE has received a contract from ASWE (Admiralty Surface Weapons Establishment), Ministry of Defence, to supply an advanced SCAMP store-and-forward message handling system. This will handle the Navy's ship-to-shore communications, including HF and satellite transmissions, and will interface with existing and future land-based communications systems.

★

Noise control equipment worth nearly £600,000 will be supplied by ACOUSTIC ENGINEERS MONITON TECHNIC to the Ingersoll Rand Corporation. Destined for oil production platforms in the North Sea field, the order comprises six acoustic enclosures with associated inlet and exhaust silencers to accommodate turbine driven compressor equipment.

★

HAVON AIR CONDITIONING, Evesham, has won contracts to the value of nearly £250,000 for the supply and installation of air conditioning equipment at various locations in the UK. One contract, valued at more than £50,000, is for air conditioning equipment at a new Dorothy Perkins store being constructed in Oxford Street, London.

HOME NEWS

Yard sets up hotel crime squad

BY ERIC SHORT

SCOTLAND YARD has set up a specialist hotel crime squad to deal with thefts from hotels. Mr. Brian Palmer, head of general insurance at Legal and General Assurance, said yesterday that London hotels were suffering 300 break-ins a month.

Similar crimes were widespread in every city and seaside town, particularly at hotels with 25 bedrooms or fewer, he said.

Owners of such medium-sized hotels could not afford security staff or elaborate safety systems, unlike larger hotels. Thieves could eat away profits disastrously.

Mr. Palmer was speaking at the launch of his company's new hotel policy.

North Sea gas prices too low—companies

BY KEVIN DONE, ENERGY CORRESPONDENT

THERE ARE still significant gas reserves to be tapped in the southern sector of the North Sea according to Shell and Esso, the companies responsible for developing major parts of the Leman and Indefatigable gas fields.

But work is unlikely to begin before the early 1980s and will depend on the companies obtaining much higher prices for gas from the British Gas Corporation than they are getting at present.

If development of the more marginal finds, such as the South and South-East Indefatigable Fields and the Sole Pit, is to go ahead, the oil companies will be looking for gas prices in line with those to be paid for gas from northern fields such as Frigg and Brent.

According to the Department of Energy, there are some 51bn cubic metres of proven gas discoveries in the southern basin which are believed to be commercial, but which are not yet contracted to British Gas. Total proven reserves for the southern basin are 472bn cubic metres.

Mr. Charles Goulden, chief petroleum engineer for Shell Exploration and Production in the southern North Sea says that it is unlikely that development work on the two small fields to the south of Indefatigable will begin before 1983-84.

The earliest that further drilling could start on the more complicated Sole Pit structure would be 1981.

Mr. Goulden estimates that it would cost at least £20m to develop each of the fields to the south of Indefatigable, excluding pipelines. Both would require production platforms with about four producing wells.

Shell is tentatively considering the idea of trying to link the fields to the Dutch sector. This has the attraction of reducing development costs by shortening the length of pipelines that must be laid to link the fields with existing pipeline networks.

Such a development would be likely to meet opposition from the British Government, which has been anxious to maximise domestic gas reserves for the UK.

The smaller southern sector gas finds could be developed in the 1980s, as production from the major fields starts to fall.

Shell and Esso are investing £62m as part of a £140m programme to install extra compression equipment on the Leman and Indefatigable production platforms to help maintain reservoir pressures.

The rest of the investment is being met by Amoco/British Gas group, partners on adjacent parts of the two fields. The programme should be completed next year.

Traded options make a profit

BY JAMES BARTHOLOMEW

THE Stock Exchange made a profit on traded option business for the first time last month.

Mr. Peter Stevens, chairman of the exchange option committee, added yesterday that the market also reached record turnover of 1,260 contracts in a day. He was extremely satisfied with progress made.

He was glad the market, which opened in April, had started quietly so that teething troubles could be overcome. Now, the system was working well, and volume was picking up. Volume has exceeded 1,000 in a day twice recently.

Mr. Stevens said that the open interest, the number of option contracts outstanding, at 9,359, represented underlying securities to the value of £25m.

He was happy to note that genuine outside investors of nearly all types had taken over the running from the market professionals.

But he visualised much greater use of the market by private investors if only the adverse tax laws were changed. He noted that volume on the European options exchange had jumped up markedly when VAT on premiums was removed.

Another problem for the market was the fact that banks, in giving guarantees, were still unwilling to reduce the commitment which brokers have to put up by the amount for which brokers themselves have received guarantees. This made option clearing and broking more expensive to finance.

Brokers had met bankers many times, said Mr. Stevens, but had found them slow moving.

One major section of the investment community which was not taking part was the unit trust industry. He was hopeful, in spite of setbacks, that a way would be found for unit trusts to overcome the restrictions in trust deeds.

Computer will help councils

A COMPUTER SYSTEM to help local authorities to improve their financial planning and forecasting and to monitor and control their spending is being developed in Oxford.

The project will be carried out by Oxfordshire County Council and International Computers, with financial help from the Department of the Environment.

The first phase of the local authority financial information system (LAFIS) should be completed by the middle of next year, and involves a feasibility study and overall design. The second phase, involving writing and testing the system, is expected to start late next summer.

So far, local government financial management systems have responded to immediate pressures instead of being developed as part of an overall strategy.

According to Mr. Bernard Harty, Oxfordshire's county treasurer, this has often resulted in systems that do not relate to each other.

"Present constraints on public spending mean that the potential benefits of LAFIS are great," Mr. Harty said yesterday.

Air traffic cuts urged by environment group

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A "POSITIVE RESTRICTION" on the growth of air traffic in the South-East of England, and the earlier introduction of anti-noise legislation for aircraft, are among recommendations from the Committee for Environmental Conservation in its comments on the Government's White Paper on Airports Policy.

The committee, known as CoEnCo, claims that the Government's airports policy is "short-sighted and irresponsible" in that it allows for a vast expansion of air traffic in the South-East, while at the same time admitting its disadvantages, and gives no consideration to the construction of a new airport or the diverging of traffic to airports outside the region.

The committee urges the Government to impose limits on the number of air traffic movements at the four London airports (Heathrow, Gatwick, Stansted and Luton), to avoid wasteful over-provision of resources, conserve fuel and reduce noise pollution.

It says plans should be made against a possible upsurge in air travel demand, but does not believe that Stansted should be used as "a receptacle for all overflow traffic in the South-East."

CoEnCo also asks that the date for the prohibition of all non-noise certificated subsonic jet aircraft on the UK register should be brought forward from early 1986 to 1982. It wants Concorde included in the proposed noise restrictions.

"The proposals in the White Paper impose no restrictions of substance to traffic growth in the South-East, and permit expansion at all four London airports.

"Thus, incentive to find less objectionable alternatives is removed. Further expansion to meet the needs of the 1990s will hence inevitably fall on these four sites. CoEnCo protests that the unacceptable consequences should be fully recognised, and that a positive alternative policy should be substituted."

British Vita chairman leaves £1½m

MR. NORMAN GRIMSHAW, chairman of British Vita, the international plastics and rubber group, who died in March, left £1,649,276 gross, £1,628,084 net. He had been chairman since the original company, Vitafoam, was formed in 1949, with a nominal capital of £100. Sales now approach £100m a year.

Mr. Grimshaw, an engine driver's son, pioneered the development of the polymer industry overseas. He was president of the British Rubber Manufacturers' Association from 1970-72 and was made a CBE in 1976 for service to industry.

According to his will, he had already made provision for his wife and left his property mostly to their children.

Council writes off £8m deficit

BIRMINGHAM CITY Council has decided to write off the £8m deficit of the National Exhibition Centre in which it is a partner.

While the centre has been exceeding forecasts—a trading profit last year of £3.3m against a budgeted £2.2m—it would have been the mid-1980s before it could have broken into net profits.

The write-off decision is believed to have been influenced by the £5m interest-free loan for the Earls Court and Olympia sites by the Greater London Council, thereby increasing the competition for business between London and Birmingham.

The National Exhibition Centre will now be able to pursue the stronger investment policy needed to attract genuine international shows. Next month's motor show has cost £330,000 for a new park for 6,000 cars close to the exhibition halls.

Sotheby's sale nets £28,583

By Antony Thorncroft

AN AUCTION of Victorian pictures at Sotheby's, Belgravia, yesterday produced a total of £28,583. The top price was the £1,600, well over three times the estimate, for a pair of circular paintings, attributed to T. Smythe, and entitled "Feeding the hens" and "After a day's work."

The Guildhall Gallery of Bury St. Edmunds was an active buyer, paying £1,400, double the forecast, for an oval painting, "The plough team returning," this time signed by Thomas Smythe, and £1,300 for another certain Smythe, entitled "A rest on the way."

Textile bodies form unit to improve performance

BY RHYS DAVID, TEXTILES CORRESPONDENT

THREE BRITISH textile development bodies are getting together to provide a service to help the garment industry improve its performance, under a project to be funded by the Government-backed Garment and Allied Industries Requirements Board.

The Garment Technology Group, which will combine the expertise of the Clothing Institute, the Research Association for Knitting and the Wool, Carpets and Clothing Research Group, will try to help the industry make better use of available technology.

Selected companies will be offered an audit covering a wide range of technologies such as work-handling and factory layout, quality control systems and use of computerised techniques.

Arising from the audit, specific recommendations will be made to participating companies. Where appropriate these will be implemented and monitored as part of the project.

The initial audit and recommendations will be completed within 18 months, and results made available for the garment industry as a whole.

Guidance to companies in the clothing industry on boosting exports will be the theme of a seminar, Designing for Export, by the Clothing Institute at its North London headquarters today.

OBITUARY

Dr. H. Simon

DR. HERMANN SIMON, chairman of Evode Holdings, has died aged 78.

A doctor of chemical engineering, Dr. Simon joined Spic and Span Polishes in 1938 as a director and chemist and, as a result of his influence, the company embarked upon a diversification programme.

The company name was eventually changed to Evode Chemical Works and Dr. Simon became its chairman and managing director in 1945.

It started to manufacture adhesives in the early 1950s and its Evo-Stik "Impact" adhesive became a brand leader.

Under Dr. Simon's guidance, the company grew from one employing six people to be an international group of companies employing more than 1,100.

Dr. Simon was awarded the CBE in 1974 for his services to British exports.

Mrs. Thatcher for marginals

MRS. MARGARET THATCHER, Opposition leader, will visit two key marginals and address party workers when she begins a two-day visit to the north-west this morning. She will meet party workers from constituencies around the north of Manchester and will visit Bolton West, seized by Labour in the 1974 election.

A visit will be made to a hospital in Bury, also gained by Labour at the last election.

Garrett plans bigger UK turbocharger plant

THE U.S.-OWNED Garrett Corporation is to double the size of its UK turbocharger production plant at Skelmersdale, Lancashire, to meet growing European demand for the product. The work will cost more than £2m.

Construction of a new 55,000 sq ft plant on a 14-acre site will start immediately and will be operational next July, bringing the company's UK production capacity to 250,000 units annually.

The Garrett Corporation is the world's biggest producer of turbochargers and last year supplied about 500,000 units to world markets. More than 80 per cent of Skelmersdale-produced turbochargers are sold overseas.

Volkswagen unveils new Audi 80

FINANCIAL TIMES REPORTER

A NEW version of the Audi 80, one of Europe's best-selling mid-range luxury cars, has been unveiled by the Volkswagen Group.

The design, under the guidance of the Italian stylist Giorgetto Giugiaro, has led to a much larger car with a new interior and several technical changes. But it will use the same mechanical components as its predecessor, including the Audi 1300 cc and 1600 cc engines, and the same front-wheel drive layout.

Among the technical innovations are an econometer to tell drivers how much fuel is being used, plastic coated bumpers, and noise insulating material.

Styling is similar to that of the former car, which won a series of awards when it was introduced in 1972. But the new dimensions move it up the market a little closer to the Audi 100, the Volkswagen Group's flagship. At 14 ft 3 ins, the new model will be 5 ins longer than the car it replaces.

The car will make its debut in Britain at the International Motor Show in Birmingham next month and will go on sale early next year. No prices have yet been disclosed.

● Most Ford Escorts will cost slightly more, with prices rising by between £17 and £60 to take account of improvements for 1979, Ford said yesterday.

The cheapest 1100 Popular Escort will now cost £2,253 and the top RS 2000 Custom Escort £4,415.

The facelift includes a black radiator grille for all cars except Ghia versions, wider wheels and better tyres on some models, and radios as standard in some dearer versions.

The Escort Mexico is being discontinued, but two fast RS 2000 models will replace them.

Ford has also made cuts on servicing for the Escort range, with the standard service interval now doubled to 12,000 miles.

LABOUR NEWS

Bar staff minimum rates may rise 27%

BY OUR LABOUR STAFF

PROVISIONAL AGREEMENT has been reached by the Licensed Non-residential Wages Council, which covers more than 300,000 bar staff and related workers, for increases of about 27 per cent on minimum rates.

At the same time wages council negotiators for 9,000 bakery shop assistants in Scotland have provisionally agreed an increase on minimum rates of slightly more than 21 per cent.

In both cases proposals to increase rates are being circulated to workers and employers before final approval is given.

Although how many workers in these two groups are paid minimum rates is not known, nor the effect on the overall wage bill for individual companies, the agreements appear to reflect the importance of the special provisions for the low-paid in the Government's White Paper on pay policy.

The Government says in this document that it would be ready to approve wage rises above 5 per cent where the resultant earnings are no higher than £44.50 for a normal full-time week.

The unions have subsequently taken this provision as an important element in their claims.

The agreement for bar workers and related staff, whose settlement date is December, provides an increase on the lowest rate from the present £32.30 to £41, with similar percentage increases for other grades. An agreement for club stewards, covered by the same wages council, has still to be reached.

The rise for Scottish bakery shop assistants, designed to bring them on to a par with similar workers in England and Wales as well as providing a yearly increase, lifts the minimum rate to £38.20.

Minister will meet factory management

By Our Belfast Correspondent

MR. DON CONCANNON, Minister of State, Northern Ireland, will today meet the management of a knitwear factory at Coleraine, wihch has closed after an 11-week strike, putting nearly 290 people out of work.

The 240 employees on strike voted to stay out, despite an ultimatum from the company, Ballantyne Sportswear, that it would shut its doors.

Mr. David Steel, Liberal leader, and MP for Roxburgh, Selkirk and Peebles, has also been in touch with the company at its parent plant at Innerleithen in his constituency. There are fears that the Coleraine closure might affect employment prospects at the Scottish factory.

Formula could end strike at BP plant

BY ROBIN REEVES, WELSH CORRESPONDENT

A PEACE formula is to be put to a mass meeting of strikers at BP Chemicals' Baglan Bay complex today which it is hoped will end the near two-week-old stoppage.

The strike, by 800 members of the Transport and General Workers' Union, has stopped output with the loss of more than 20,000 tonnes of intermediate chemical products from the plant, one of the biggest in the UK.

The dispute has stemmed from a change in work practices demanded by the management in exchange for a 16 per cent pay offer.

When the BP management attempted to enforce the new procedures on the grounds that the changes formed part of previous wage agreements there was a walk-out by union members at the plant, which normally produces 2m tonnes of chemicals a year.

About 450 members of the ETU and AUEW joined the dispute by refusing to cross picket lines but they did agree to a management request to keep the plant warm.

If the peace formula is accepted today, there should therefore be a quick resumption of production.

There have been no reports of shortages as a result of the strike. BP's Baglan Bay customers have undoubtedly been helped by the fact that the dispute came at the end of the industrial holiday period, during which stocks built up.

Windscale protest greets Shore

BY OUR LABOUR STAFF

MR. PETER SHORE, Environment Secretary, yesterday faced demonstrations at the Windscale nuclear fuel plant from white-collar staff who will today begin a work-to-rule and overtime ban. Mr. Shore was visiting the plant.

Non-industrial staff are protesting against the Government's refusal to pay a 5p per hour special site allowance awarded by arbitration. The allowance is already paid to 3,000 industrial workers following a separate award.

Today's action will involve 1,700 management, administrative, scientific, technical and clerical staff. Their action is likely to cause serious cuts in production.

Unions say they believe the company is ready to pay the allowance but is being prevented from doing so by the Government.

Mr. Leslie Christie, assistant general secretary of one of the unions involved, the Society of Civil and Public Servants, said: "It is the Government's inflexible pay policy and their refusal to honour arbitration which is responsible for this." The union recognised that Windscale was a sensitive area but this did "not entitle the Government to get away with bad industrial relations."

Destroy the work ethic, says Clive Jenkins

TECHNOLOGY was "eating away at the human content of the workplace" to such an extent that people would soon be faced with nothing short of the "collapse of work," Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, said last night.

Today's unemployment problems would seem very remote compared to the job destruction in the near future, Mr. Jenkins told a meeting of the British Computer Society. Economic forecasts in the UK and West Germany indicated that on present policies there could be 5m unemployed in each country by the late 1980s.

However, while it was not possible to resist the tide of new technology, every moment was precious in the search for new working and non-working arrangements to adjust society to the coming situation.

"We must destroy the work ethic," said Mr. Jenkins. "No longer must a person's social position be judged by his paid occupation."

But this raised the central problem of constructing a system which allowed all to reach a reasonable standard of life, to underpin the enhanced quality of life which could result from the new technology-based society.

Society must look at meaningful alternatives to paid work—opportunities to move in and out of formal employment; mixes of paid and unpaid work and leisure activities; work-sharing; different allocation of work and family responsibilities at home.

Unions to meet Peugeot presiden

By Alan Pike, Labour Correspondent

NATIONAL UNION leaders meet M. Jean-Paul Par president of Peugeot-Cit today for talks on the pany's proposed takeove Chrysler's European tions.

The talks will be followed meeting between the u and Mr. Eric Varley, Ind Secretary. They will con the long rounds of discu in progress since the Pe Citroën offer was anno last month.

A joint research report pre by unions with membe Chrysler UK indicates likelihood of a British co bid for the company, alt a Peugeot-Citroën tal would add to the comp pressure on BL (for British Leyland).

The contents of the repor findings by the Departm Industry, are expected discussed at today's m with Mr. Varley.

Now that M. Parayre has to meet the unions, a potential stumbling-blo on early British Gover decision on the deal ha removed. However, fee growing that a decisi unlikely to be ann before next week.

Chrysler UK's Dunstabl Luton truck and comp factories remain at a sta because of a strike, second week, by pro workers demanding pay with the company's C plants. An attempt las to settle it was reject shop stewards.

Port radio m to decide over pay act

SHORE-BASED radio tech who maintain radio equ on British ships are lik decide today whether t industrial action over claim.

The technicians belong Radio and Electronic C Union. They object to wh term a refusal by their e Marconi Marine, to b its offer of a straight cent pay increase stric accord with the Govern Phase Four guidelines.

The 250 technicians in are distributed in ports th out Britain and are resp for maintaining radio equ on all British flag carrie 1,600 tonnes. Ships a allowed to leave port unl technicians pass their equipment as being in order.

The union has been p the employers to allow crease above 5 per cent t a self-financing productivi and has proposed a job tion to revise salary scale

BBC calls off foreign filming ban

BY PAULINE CLARK, LABOUR STAFF

THE THREAT of disruption to BBC television current affairs programmes as a result of industrial action by jornalists lifted yesterday when management called off its ban on foreign filming.

The journalists, including producers, researchers and reporters, have been refusing to handle imported foreign film since Friday in protest at cutbacks in the amount of money allocated to filming abroad by its own journalists and camera crews.

But at talks with management yesterday, the journalists were told that they could resume filming abroad for such programmes as Panorama and Tonight. Representatives of the National Union of Journalists' BBC chapels claimed they had also received assurances that they would be involved in further talks on the allocation of resources to current affairs programmes.

The journalists suspended their action to allow the talks with management to take place but passed a resolution reaffirming their "serious concern at the BBC's attitude to current affairs as an easily expendable part of its television output."

They also declared their "total opposition" to any cuts which they said would result in the lowering of professional standards and expressed their determination that the BBC should not replace its own journalism with bought-in or other substitute material.

After hearing representations from chapel members and the broadcasting industrial council of the NUJ, management said last night it had agreed to lift its ban in view of the Prime Minister's decision not to hold an autumn election.

When the cutbacks were decided early in the summer it was anticipated that election coverage would take precedence over foreign coverage in programme time.

The journalists' refusal to handle imported material was said by management to have had no effect. Its decision to call off the ban was based solely on the change in circumstances.

The BBC is believed to have been suffering from budget overspending of £500m in current affairs alone and the journalists' action will no doubt have helped to put pressure on the ment to allow the BBC to its licence fees.

Mr. John Gau, head Television current affai grammes, said last night did not believe the BB maintain its current standards without an inc licence fees.

"Over the past years, crews abroad, especia Europe, has become m more expensive as the po fallen in value and th income has simply not be to keep up with it."

The BBC, which is aski £30 television licence fee, to spend an average £500 Europe or £800 a day in whenever it sends its fil abroad on a current affa gramme.

APPOINTMENTS

Changes at Imperial Continental Gas

Mr. J. Watt is to retire as a managing director of the IMPERIAL CONTINENTAL GAS ASSOCIATION at his own request on September 30. He will remain a member of the Board and will continue to have a special role in connection with the group's public utility interests in Belgium. It is intended to appoint him a deputy chairman. Mr. T. M. O'Rorke, group finance director and secretary, will succeed Mr. Watt as a managing director. In preparation for the change, Mr. O'Rorke has relinquished the position of secretary and Mr. M. Drinkwater succeeds him in that post.

★

Mr. Elmo H. Sergo has been made director of marketing, Bedford Commercial Vehicles, VAUXHALL MOTORS. He succeeds Mr. Desmond Savage, who has taken over the position of director of marketing, Vauxhall Passenger Cars from Mr. Harold G. Carpenter, the newly-appointed director of sales, General Motors do Brasil.

★

Mr. Alfred Derde has been appointed managing director of MANBRE & GARTON, the UK starch subsidiary of Tate and Lyle. Mr. Derde was formerly works director of Albion Sugar Company Limited, Tilbury.

★

Mr. B. W. Lambert and Mr. P. M. La Plain will be joining the partnership of CHARLESWORTH AND CO., stockjobbers, from October 1.

★

Mr. John Roper-Evans has joined AB ELECTRONIC PRODUCTS GROUP as group deputy managing director. He has previously held appointments with Standard Telephones, Unitech and the English Electric Company of India.

★

Mr. Omar Rafique has been appointed to the Board of K. S. PAUL PRODUCTS as technical director and Mr. N. R. Golding has been made deputy managing director.

★

The Secretary for Education has appointed Mr. V. Posner to be chairman of the SOCIAL SCIENCE RESEARCH COUNCIL from January 1, 1979, in succession to Mr. D. Robinson, who is retiring at the end of his term of office. The appointment is for four years.

★

Mr. Nick Swallow, managing director of General Computer Systems (UK), has been appointed to the additional post of vice-president (UK), TELEX COMPUTER PRODUCTS INC. The appointment follows the recent takeover of GCS by Telex.

★

Mr. J. G. Jennens has been appointed corporate development director of PORTALS WATER TREATMENT.

★

Mr. Patrick Wrede has been appointed to succeed Mr. Jarl Köhler as managing director of LAMCO PAPER SALES, the sales office in London of the Finnish Paper Mills' Association. Mr. Henrik Serlachius, managing director of the sales office in Oslo, Fennor A/S, has become assistant director of Finnpap printing paper department (magazine papers). He will be succeeded by Mr. Kari Pesonius, assistant commercial attaché.

★

Mr. A. Christopher Boydell has been appointed company secretary of THOS. W. WARD, replacing Mr. J. McM. Grierson who has retired. Mr. Boydell joins the company from Dunford and Elliott, where he was group legal executive.

★

BRITISH GAS has appointed two assistant directors for its Watson House research station. They are Mr. George Percival, who was a director of International Gas Consultancy in the U.S., and Mr. Alan Sussex, previously manager of the cooking and combustion division of Watson House.

★

Mr. Alan Pfaff has joined the Board of SANKEY SHELDON and has become a national sales manager of the furniture division of Blakdale-NSE, the company. He is retur Sankey Sheldon after an of 10 years, during whi he was a systems consul three years, and for the la years with Rank Xerox.

★

Mr. H. J. Bragg, m director of Calor Gas, been appointed managing of the CALOR GROUP, t pany responsible for services within Calor Gas Company. The post was pr held by Mr. P. V. Co managing director of Ca Holding. He has left that to devote more time responsibilities as a m director of Imperial Con Gas Association, Calor's company.

★

Mr. Harold Whitehead executive officer of the EASTERN CO-OPE SOCIETY, is to retire in ber. He will be succee Mr. T. G. Norris, who is at regional general manager and Bath Region, Co-o Retail Services.

★

Mr. John Salkeld a Patrick Meaney have part-time directors on th of Directors of CABL WIRELESS. Mr. Salke partner in Binder Haml Meaney is managing direc chief executive of Thomas

طبقا من الأصل

FINANCIAL TIMES SURVEY

Wednesday September 13 1978

BATTERIES

Radical developments in battery technology indicate an expanding range of applications for this long-established energy source. Perhaps more important, however, are the decisions which need to be taken about its place in future energy plans — in, for example, road transport, an area where Britain leads the field.

...ower ...acks ...or the ...uture

...Max Wilkinson

...BLIC INTEREST in the ...tery industry is fast moving ...m a focus on technical ...ances to the political ...stions about how they should ... exploited. In recent years ...stantial strides have been ...le both in developing the ...litional lead-acid battery and bringing the idea of high ...perature sodium sulphur ...s to the point of commercial ...loitation.

...he longer lifespan, impres... weight reduction and easier ...ntenance of the next genera...i of conventional batteries ... enable them to be used in ...uch wider range of applica...is, particularly in road trans...t.

...owever, a major extension ...attery power into new areas ... certainly bring an increase ...Government involvement for ...e basic reasons. First, the ...ernment will have to make ...e fundamental decisions ...ut the sources of energy which will be used in the next few decades. Secondly, Government funds will almost certainly be needed for the development of battery power in Britain. Some $100m a year is being spent on battery research and development world-wide, much of it partly sponsored by governments. If Britain is to maintain its present leading position, an increase in Government support will almost certainly be necessary. Thirdly, Government support will be needed indirectly through the public corporations and the armed forces, which will be major customers of the battery manufacturers for the new products.

On the fundamental question of what energy source will eventually replace oil to power cars and lorries, the present alternatives appear to be electricity stored in improved batteries or synthetic fuel derived from coal. Although these two alternatives are by no means mutually exclusive, a decision will be required by the Government on the relative emphasis which should be given to each.

Opinions on this issue are at present divided. The Department of Energy's Energy Paper 26 earlier this year came down heavily in favour of electric vehicles as the solution when the oil wells start to dry up. It suggested that the Government should back the development of electric vehicles with research funds and a favourable taxation policy.

On the other hand the Department of Environment's Transport and Road Research Laboratory is suggesting that future transport policy should be based on the use of synthetic fuels made from coal. At a symposium earlier this year, Dr. J. W. Fitchie of the laboratory said about 90m tonnes a year of coal would be needed to provide enough synthetic fuel to replace present oil requirements at a cost of possibly twice as much as present natural fuel oils.

Gap

However, on the Department of Industry's reckoning coal production is not likely to be high enough to fill this part of the energy gap. It estimates that 129m tonnes of coal would have been needed in 1973 to fill transport needs compared with total coal production in that year of only 132m tonnes. It also points out that although the overall efficiency of an electric vehicle (the proportion of heat energy at the power station which can eventually be realised as motive power) is only about 12 per cent at present, this could be substantially increased if more of the waste heat from power stations were to be used for domestic heating.

The effect of these rather technical arguments on politicians will have a crucial effect in determining the eventual viability of battery power because of the way in which taxation policies can push the calculations one way or another. From an engineering standpoint the efficiency of electric vehicles in terms of overall energy use is likely to be about the same as that of the internal combustion engine. Battery makers concede that because of the continuous improvements to petrol and diesel engines they are trying to hit a moving target. In addition, the high efficiency of large power stations has to be set against the extra cost of setting up a nework of battery charging stations and the losses of power in the battery itself.

However, the importance of such calculations is dwarfed by the fact that petrol and diesel fuel carry a high rate of tax while electricity at present is tax-free, and can indeed be bought at a cut rate for batteries which were charged up overnight. The political question is therefore how far the Government would allow the change-over to battery power to go before it yielded to the inevitable temptation to levy some kind of running taxes on electrically driven vehicles.

In the short-term, the wider use of electricity for motive power will depend on the improvements to the lead-acid battery which will shortly start to make an impact on the market. The use of aluminium for the housing of cells and other structural improvements promise to increase the energy available from a given weight of battery by between 25 and 40 per cent.

By the mid-1980s, however, a more radical improvement in battery performance should be available as a result of the development of sodium sulphur batteries. Most of the major companies have advanced development projects for this new type of battery. A lead of one to two years is claimed by Chloride in Britain, which has a joint development venture with the Electricity Council. The first phase of research is now completed. Over the next few year, Chloride will be testing the new batteries in a small fleet of commercial vehicles. Besides Chloride, the main companies in the race are General Electric and Ford in the U.S., Compagnie General Electrique (France), Brown Boverie (W. Germany) and the Yurasa Battery Company of Japan.

The main attraction of sodium sulphur is that it can produce between three and five times as much energy for a given weight as its lead-acid rival. The disadvantage is that it must be kept at the very high temperature of 300 degrees C. A great deal of development work over the last 15 years has therefore been devoted to making this highly corrosive mixture acceptably safe against normal accident hazards.

On reasonably conservative assumptions the sodium sulphur battery will become economically competitive as a power source for commercial vehicles by about the late 1980s or early 1990s. Manufacturers concede, however, that the prospect for sodium sulphur batteries being used as the main power source for private cars is much more speculative. It depends on all the uncertainties of what may happen to the price and supply of petrol as well as on a series of interlocking political and commercial judgments over the next few decades. However, since fossil fuels clearly cannot last indefinitely, it is obvious that sooner or later we will be faced with the choice of battery cars or no cars at all.

A recent estimate by the European Economic Commission in Brussels suggests that by 1990 Europe could have 7.2m electric vehicles. This would represent 7.3 per cent of the Community's car market and consume only 2 per cent of the total electricity output. Most of these vehicles are expected to be concentrated in cities, where they would account for up to a fifth of all traffic.

Exploit

UK battery companies are strategically well placed to exploit this potentially large market, because the use of electricity for motive power is more advanced in Britain than elsewhere. Some 45,000 battery-operated milk floats and carrier vans are now on the road in this country. This is more than exist in the whole of the rest of Europe. There are in addition some 80,000 battery-operated fork lift trucks.

The current range between recharging of electric 35-cwt vans is between 35 and 60 miles. With the introduction of high energy batteries the range should increase to around 50 to 80 miles, then eventually to 150 miles with sodium sulphur. It is clear therefore that electric vehicles are most suitable for use in standard pre-programmed routes, like delivery runs where the mileage can be calculated exactly.

In Britain, Chloride is developing the Silent Karrier van in conjunction with Chrysler, while Lucas is working with Bedford. Lucas appears to be no longer interested in the development of electric buses but is going ahead with the attempt to produce an electric taxi capable of reaching 60 mph. Meanwhile, Electraction, in conjunction with Oldham, has produced a glass fibre sports car with a range of 60 miles. The main attraction is that total fuel cost including battery rplacement is estimated at just under 2p a mile, which is 40 per cent less than that of a petrol car in city traffic.

In the U.S., Sears and Roebuck has converted a standard Fiat hatchback with a World War II aircraft starter motor into an electric vehicle capable of 75 mph and a range of 94 miles at a steady 45 mph. Although there are no plans to go into production with such a car, its performance demonstrates that with increased battery and motor efficiencies, an electric passenger car for cities will shortly be quite feasible.

However, the general acceptance of battery power for vehicles will depend as much on the development of control systems as of the provision of a power source. The invention of thyristors (semiconductors capable of handling heavy current) and the exploitation of micro-computers is enabling battery companies to develop controls which will give electric vehicles a familiar feel to drivers used to traditional vehicles. The control system is needed to regulate the supply of power to the motor during acceleration and also to produce regenerative braking. This enables the motor to act as a generator to recharge the batteries while the vehicle is slowing down. Apart from the obvious advantage of conserving power, regenerative braking has a similar slowing down effect to that of an internal combustion engine when the foot is lifted off the accelerator.

Although new batteries for motive power for vehicles excite the greatest public interest at present, improvements in life and performance will enable batteries to be used in many new applications, for example in high-powered fork lift trucks which at present cannot use electricity.

Battery power is also becoming increasingly important as a standby source in case of emergency. The development of long-life highly reliable batteries, for example, has been prompted partly by the requirements of the growing number of computer installations, which cannot accept even a momentary power failure. The battery makers have also needed to develop complicated control systems to enable the battery to take over from the mains without any break in supply.

Considerable strides are also being made in the manufacture of batteries for heavy industrial and military use. The technology which has given the motorist an average battery life of about three years has also been applied to large submarine batteries, which can weigh up to 200 tonnes and have individual cells of a tonne each.

Improved prospects for major UK producers

THE FAITHFUL lead-acid battery will probably pulse beneath the bonnets of vehicles in the UK for many more years to come although many of those vehicles will be powered by traction batteries.

Despite the drive to find an alternative to the lead-acid battery, no viable commercial substitute is yet practicable although the major companies are funding extensive research projects.

Prospects in the UK automotive sector of the market are not buoyant, given the relatively depressed state of the home vehicle industry. The direction of efforts is towards Europe. But there is optimism for large increases in the home and European markets for motive power—be it fork lift trucks or electric vehicles.

Total sales of batteries for automotive use (cars and lorries) are now running at about 6.8m units a year, worth about £150m. Just under 2m batteries are sold to vehicle manufacturers. Chloride, the UK market leader, has about 48 per cent of this market, followed closely by Lucas with 45 per cent. Oldham has about 2 per cent and Crompton only about 1 per cent.

In the larger market for replacement batteries, Chloride has about 28 per cent, Lucas 13 per cent, Oldham 12 per cent, Tungstone 12 per cent, Crompton 3 per cent and others, including importers, about 34 per cent.

The other main market for batteries is for industrial uses, ranging from forklift trucks to standby power for hospitals and power stations. This market is worth about £68m a year, of which about £40m is accounted for by batteries for motive power.

In the motive power section, Chloride has 65 per cent of sales, followed by Oldham, with 18 per cent and Crompton with 13 per cent.

Tungstone has about 37 per cent of the £6m market for lead acid batteries for standby power against Chloride's 63 per cent. A further £12m of sales is taken by manufacturers of nickel-calcium batteries.

Another £4m of business is sales for defence applications. Most of this specialist market is taken by Chloride.

Overall, the battery industry is one of the most successful parts of the UK manufacturing scene. One reason is that Chloride, with plants throughout the world, is one of the three major companies internationally. It exports about 30 per cent of its total UK production, mainly to Europe. Oldham exports about 17 per cent of production.

Disputes

It is to the export market that the major companies in the automotive and industrial sectors of the market are setting their sights.

For in the automotive section of the industry in the UK there has been a serious under-capacity of production for some years. Last year Lucas and Chloride both had industrial disputes and Tungstone lost production through fire damage. Chloride, for example, even imported batteries for the UK market. But this year the major producers see an over-production of batteries as likely.

This is strongly linked to the relatively depressed state of the UK vehicle manufacturing industry. In the UK the growth forecast for vehicle production over the next five years is 3.6 per cent. In Western Europe the forecast for the same period is 12 per cent. At the moment Chloride's exports of automotive batteries is negligible.

So all the major automotive battery producers are making fierce efforts to further penetrate the European market.

The industrial sector of the market is split into three main areas — fork-lift trucks, road vehicles and standby power. Chloride say that the prospects for sales of fork-lift trucks, at home and abroad, are good. The UK market is a long way from being saturated, with a long-term underlying growth rate of at least 5 per cent. Prospects in the short term are slowly improving with the upturn in the economy and an increased awareness by employers and trades unions, of the environmental benefits of electric-powered fork-lift trucks.

The standby market in the UK has been depressed of late because of its relationship with the building and construction industries. But it is still a growth area in the UK with new construction programmes being in the pipeline—be it hospitals or new supermarkets.

But again the greatest prospects for UK manufacturers lies in exports—to under-developed countries. Chloride say that in these countries the standby sector of the market is probably one of the biggest growth areas in the entire lead acid battery industry. It is also the area where British manufacturers will have to most keenly fight-off competition from Japanese, German and American manufacturers.

In the road vehicle market the traditional market in the UK has been the milk float. Over the last 50 years fleets of more than 40,000 have been built up. But at the present there is little movement in this market, with maintenance and service being the main areas of demand.

But the major area of potential expansion is the traction battery for a new market. While the major companies insist that development must be kept in perspective as actual present production is minimal, they see it as an exciting prospect for the future. The development is in producing electric batteries for vehicles on fixed daily schedules, such as Post Office vans and bread delivery vans. All have urban fairly fixed routes with many stops and low total daily mileage.

Both Chloride and Lucas are doing major research projects, and field trials on this type of vehicle. Both have concentrated on modifying existing designs of vehicles, rather than developing special electric vehicle designs from scratch. Both are employing improved versions of the conventional lead-acid traction batteries as used in milk floats.

While the technology is similar at present, the two battery companies are developing different sizes of vehicles. Lucas has been working with Vauxhall Motors on a small (one tonne payload) electric vehicle based on the Bedford CF range of vans.

Last year the Greater London Council and the Department of Industry launched a three-year assessment of electric delivery vehicles operating in the London area. Over 60 vehicles powered by Chloride, Lucas and Crompton electrical systems are operating in London boroughs.

The Chloride vehicle in the GLC scheme is the "Silent Karrier," a 35 cwt delivery van developed as a joint venture with Chrysler and the National Freight Corporation.

While both Lucas and Chloride believe that the lead-acid system will provide the only viable battery system at the present time Chloride are doing extensive research on the development of the more efficient high performance sodium-sulphur battery. Chloride and the UK Electricity Council have already frozen the cell design.

The objective is now to make a number of prototypes and fit them to road vehicles and evaluate them in field trials. But both the major manufacturers in motive power underline the fact that the lead-acid battery is the only viable battery at present. Lucas are much more reticent about sodium-sulphur batteries use in the foreseeable future.

Regular

Lucas also believe that it is not yet viable to build a private electric-powered passenger car for the UK market within the next decade. They see electric vehicles only being sold to markets where they will operate in an ordered and predictable environment, such as the regular duties of fleet operators.

But by 1980 Lucas expects to be able to offer a vehicle which might have a selling price of only 50 per cent higher than a petrol engined equivalent. Both Lucas and Chloride claim that the battery powered vehicles will have a longer operating life than the internal combustion powered vehicle and that the total life costs of a vehicle will be less for the electric version.

At present the selling price of an electric vehicle might be 2.5 times that of a conventional vehicle. Chloride say that for the size of their vehicle, life costs will be compar those of a diesel vehicl the ratio of capital costs down to 2 : 1.

Much research is stil done on the lead batter UK. In outward appear car battery, for examp changed little over th but it is actually lighter and much more ful than those in use years ago.

Research has produc necessary extra power modern car and the Group has claimed a 25 energy density increase years for the average battery.

Other research on battery type of lead-aci aimed at producing a cial viable no-main battery that would nev topping up. In the U.S. Motors has put this battery into all its 1978 but little interest h expressed yet by UK turers.

But the establishe motive market for lead teries will continue fo time to come, just as power will employ lead the foreseeable future.

The intense activity UK on research for alt has been primarily p by energy problems ar tion consciousness, facto have challenged the teams of the major c to look for improved density characteristics of getting longer li shorter charge period.

Lisa

Britain's first battery operated bus which was introduced in 1974. Developed by the Motive Power Pro Group, the 5 1-seater Silent Rider is now in service in several cities.

The search for longer life

THREE PRINCIPAL lines of development can be discerned in the huge and complex battery market, corresponding roughly to the propulsion group of applications, automotive and miniature—calculators, watches, hearing aids and leisure goods.

In each line of development the search is for longer life, or higher power release or greater compactness and frequently a combination of these.

The area attracting the most support in the form of research funds is undoubtedly that of battery couples which will have such good power/weight ratios that they will make electric drive for city cars and other vehicles a much more attractive proposition, while offering public utilities the possibility of setting up power storage stations which are far more compact than is possible with lead-acid technology.

There will be competition from storage methods, loosely called chemical batteries, in the area of power banks in which excess energy from solar units or windmills is captured for use overnight or in calm weather.

Potentially there is an enormous market here as the rise in basic fuel costs forces users to seek alternative sources of energy. But such a market will be patchy, in parallel with the degree of encouragement given by the governments of the advanced countries to the various possible alternative energy capture units suitable for domestic or smaller-scale industrial use.

For the past 20 years or so, many battery pairs have been investigated—possibly as many as 40. But a very few are still in the running. The most likely one to succeed is the sodium-sulphur design on which Ford in America and, originally the Electricity Council, began work in the 1960s.

Concept

Roughly speaking each cell in such batteries consists of what looks like two large test tubes. The inner one, of a special ceramic called beta alumina would contain liquid sodium (which melts at 98 degrees C) when the battery is working and it is immersed in a bath of molten sulphur (melts at 119 degrees) held in an outer tube of metal—stainless steel for instance.

The beta alumina acts as a separator but also allows positive sodium ions to drift through it with negative sulphur ions moving in the opposite way. Thus a current is produced travelling from an electrode immersed in the sodium to the case around the sulphur.

It is an attractive concept and the battery works at temperatures of around 300 degrees C, which sounds somewhat startling at first sight, especially applied to a mass of highly inflammable liquid sodium in a moving vehicle. But designers and development staff at Chloride's special development centre, which took over the Capenhurst work in 1974 do not consider this to be a serious problem.

The real problem lies in the simple fact that large-scale users of battery packs for propulsion take them very much as a matter of course, with their closely predictable life expectancy and very simple daily topping-up and charging routines.

It follows that any company seeking to launch an alternative however attractive its power-to-weight ratio (and sodium-sulphur is about twice to three times better than lead-acid) must match the endurance of the established unit it is hoping to displace.

Ford demonstrated a prototype propulsion system as far back as 1964 but not one of the so-called town vehicles that have popped up with considerable publicity in the U.S. or elsewhere since then has been powered by sodium-sulphur.

And last year Mr. Michael Edwardes, then chairman of Chloride but shortly he moved to take up the challenge of Leyland, said that testing for life expectancy was the crux of the problem—not enough time had elapsed and it had not proved possible to devise an accelerated method. speaking of an 33 x 600mm cell and ciated 200 ampere-hour

Mr. Edwardes surp audience and disappoin of them by putting the date for quantity ma of sodium-sulphur at s in the mid-1980s. But h "Chloride still expecte Ford and General El the U.S. to the starting

Expenditure on th Chloride-Electricity Co ject to date is approaching the £4m running at something li a year, which appears small price to pay for a vast vehicle market must take off as wo reserves tend towards tion. But to look at th many governments an manufacturers are be one would think this da centuries rather than few decades away.

Certainly many com have the shells and the tronics developed or development ready for th when sodium-sulphur giv vehicles—buses, general p light goods vehicles and runabouts—a four to fiv increase in endurance ove acid.

The only serious contend a propulsion couple, is lit chlorine. It will give

CONTINUED ON NEXT PAGE

Standby power systems

ECOMMUNICATIONS, com- ırs and energy-related indus- s are spreading tentacles in- new fields; legislation is ng a firm hold of emergency ting and alarm systems. ıds like these are proving to advantage of standby ery power. Even if the bat- is the "sleeping partner" ndustry it has in the past ten rs made a profit out of this nological advancement — ıit not a massive one, as some ıufacturers will grudgingly you.

esearch and development batteries as a standby er source has not always t pace with the growth ıstries it serves. It has been ned and updated but radical nge has been slow in coming. battery industry, particu- y in Britain, has been ısed of standing on the side- s, playing a waiting game ɔre rushing off to place its

ast year standby battery er systems brought in 0m worldwide — mostly ıugh telecommunications power station businesses. ain, very much a non- ter, earned a mere £10m or

atteries took a foothold in standby power race very y on. They are reliable and work quickly. If any em fails to operate in an rgency after lying idle haps for years, it can cost , a lot of money—and even s.

number of developments e emerged in recent years— ıing revolutionary but all in cause of greater efficiency, ability and longer life. New hods have evolved of necting rechargeable cells in es to give a desired nominal age for an emergency circuit ling. Batteries now come bonus features such as gh transparent containers "at a glance" battery ntenance and there are plified maintenance check- procedures.

ı the last ten years or so dreds of batteries have rged to meet high power sities, fast charging rates, y pulsing, longer life and miniaturisation needs. Nickel-cadmium cells, alkaline manganese, mercury types and lithium sulphur packs are to some extent covering these needs.

But the greatest opportunity for development lies not in making standby power batteries more reliable and longer living but in techniques for mechanising what is still a labour-intensive industry.

The type of battery used is dictated by the environment it has to cope with.

Cheap

The lead-acid system developed by Gaston Planté 120 years ago still dominates the standby power market. Since lead is comparatively cheap and abundant this battery has proved the easiest and most successful to market. Its great disadvantage is its poor performance in temperature extremes. Energy stored below minus 20 degrees centigrade is drastically reduced anything over 60 degrees is uneconomical.

The Planté enclosed cell is considered by many manufacturers to be the best for standby power. Its pure lead positive plate "ticks over" for 25 years and frequently longer. Lead-acid batteries taken from a power station after more than 40 years and still active, brought little more than a shrug from the makers.

Tubular batteries are becoming increasingly popular. The cells have a life expectancy of around 15 years, they have a high energy capacity and are popular in areas where space is at a premium, such as on an oil rig. But the tubular battery has yet to be proved as reliable as the Planté variety.

On a size-for-size basis, nickel-cadmium batteries compare favourably with the lead-acid battery. It is hard to compare them on a cost-effective basis and most designers compare them for size and capacity. For instance a 6V 4-ampere-hour nickel-cadmium battery is twice the price of an equivalent solid gel lead-acid battery but is much lighter. Nickel-cadmium is also robust, it works under temperature extremes and survives both under and over-charging.

Two years ago Chloride introduced a US lead-acid battery called Chlorine Cyclon to challenge the established sealed nickel-cadmium cell. It is small, cheap, rechargeable and "torch" shaped.

There are other cylindrical lead acid rechargeable batteries on the market but they tend to have rather short lives because of water loss. Maintenance-free lead-acid batteries have overcome this problem but they are shaped more like car batteries.

Whatever type of battery is used it is vital that as a standby power unit it must spark into action when an emergency arises.

A break in power supply to a life support machine in a hospital or a computer in an office could have a devastating effect. Human life is at risk if the power is cut from a critical installation in a hospital and computer data could be irretrievably lost. The standby system must react to power failures ranging from a few micro-seconds to long periods of mains supply breaks. A diesel-operated generator might not start quickly and would not supply sufficient current at the beginning.

Although generators are cheaper to run over a long period of time they are often passed over because of noise, vibrations and the cost of installation. They are useful though as complementary or back-up systems and frequently take over batteries after a lengthy power cut.

Lower down the scale from the heavy-duty batteries used in power stations, telecommunications and hospitals are the smaller, low-power batteries used in emergency lighting and fire alarm systems. Without an emergency back-up a power failure in lighting could make evacuation in the case of fire chaotic if not impossible. The results of failure in triggering off a fire alarm are obvious.

Simple standby power units are used in hotels, shops, and homes where only a limited amount of time and power is needed. In Britain fire officers require three hours of power to ensure evacuation. In Europe the general requirement runs to about an hour-and-a-half.

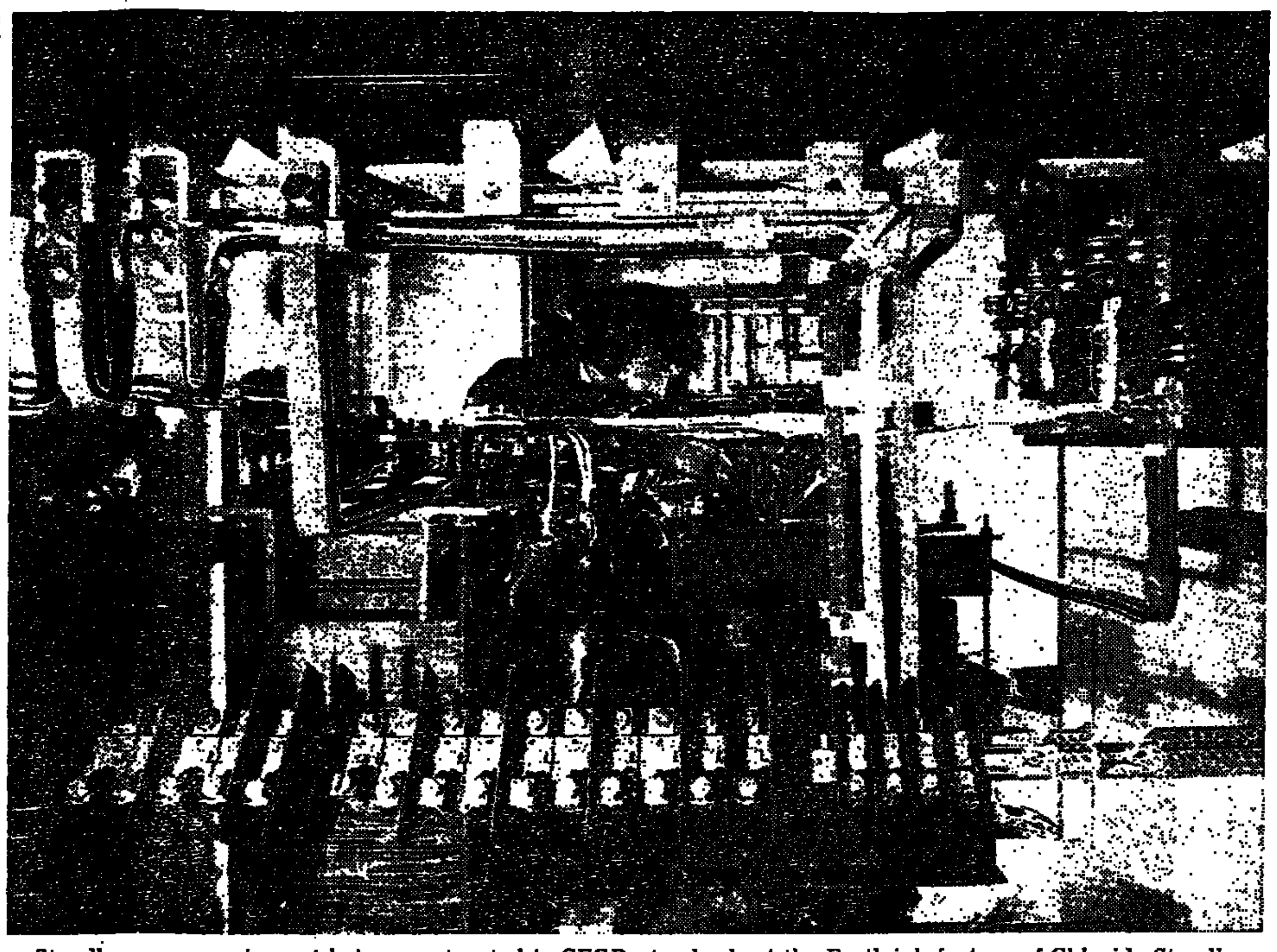
Some emergency lighting systems in hotels use a simple car battery with a domestic invertor, although increasingly stringent safety regulations are pressing for more sophisticated systems. Shops and homes still use the battery-invertor system where the invertor takes the power from the car battery and pushes it up to mains level.

Systems

In the rapidly expanding telecommunications world, standby battery power is creeping ahead by only 6 to 8 per cent a year. Most systems are used abroad—in developing countries such as the Middle East, Africa and in industrial countries such as France where data transmission systems are being updated. Saturation level has far from been reached in Britain's factories, shops and hotels where safety standards are higher since the 1971 Fire Precautions Act and the 1974 Health and Safety at Work Act.

So from the crudely made standby battery systems for home use to the sophisticated systems operating in the telecommuncations world, battery manufacturers have ample scope for further growth and development.

Colleen Toomey



Standby power equipment being constructed to CEGB standards at the Eastleigh factory of Chloride Standby Systems Ltd.

Longer life

CONTINUED FROM PREVIOUS PAGE

0 watt/hours per pound of ery mass compared with /500 for sodium sulphur but as to work at 600 degrees ather than 350 degrees. And thought of hot, highly com- ssed chlorine hurtling down busy road is somewhat nting.

variant uses zinc rather n lithium and exchanges its rine between the zinc, and er with which it forms a rate, as the battery is rged/discharged.

roblems of manufatcure of ium-chlorine batteries on scale are much more severe n for any other type and chances of quantity produc- appear remote.

ossibility

serious contender, at least big storage packs used for or industrial load-levelling, molten salt battery under elopment by ASEA and the 3 subsidiary of International kel Company of Canada. The is to provide standard tery "blocks" of 10 MW acity with an anticipated life up to 20 years, and as the ic materials are cheap and ıtiful — carbon, salt, alu- ium chloride and antimony ɔride—the total cost should low.

et another possibility is a mical heat store investi- ed by Salford University in ain depending on reactions ween lithium bromide and er — for instance — and rged by heating or extrac- of water vapour. A similar is being pursued by the Argonne laboratory in the U.S.

This is one of the most active areas of the battery scene which is not to say that lead acid is static. The trend in passenger car design towards reduced maintenance through the use of self-lubricating plastics and sealed for life cooling systems has led to a great deal of work on sealed for life batteries which need no topping up.

This work relied on the design of batteries used in telephone exchanges for many years. But it did require the motor manufacturers to take into account the somewhat larger dimensions needed to accommodate the extra electrolyte. Now, General Motors look like standardising on this design—which does not extend the actual life of the battery itself—but absolves the driver from an only too often forgotten chore.

These batteries use calcium-lead plates and their leading protagonist is Gould Inc., which has European market ambitions.

Low-antimony designs of battery which present better charge / discharge cycling characteristics are also on the move and while the European market trend is hard to predict it could follow—at some distance—the pattern anticipated for the U.S. with 70 per cent calcium batteries by 1980 against 20 per cent low antimony and 10 per cent conventional.

In the same pattern of development is the Cyclon battery type, which Chloride brought into the UK market for the first time in 1976 from the Gates Corporation of the U.S.

The basic cell is three inches long and has a working voltage of 2V. It is a sealed unit producing high energy and is cheaper than the nickel cadmium equivalent. This year, Chloride is showing a range of Cyclon cells for the first time outside Britain at a Military Electronics Defence exhibition in Wiesbaden next October.

Capacities run from 2.5 to 25 amp-hours and applications cover portable radio telephones and other equipment demanding a compact power source.

Turning to the button cell used in hearing aids, calculators of the slim-line variety and digital watches, possibly the biggest recent advance has been the successful development and launch by Gould in the U.S. of the zinc-air unit. This offers about double the capacity of mercury or silver oxide types.

But there is an important proviso—this battery should be in an appliance which is in continuous use since it works on the reaction of ambient air with suitably treated zinc, and once a sealing tape is removed and air enters the battery, chemical action takes place whether the appliance is running or not.

Performance

The point at issue in any further large outlay to improve button battery performance has to be the view of the risk-taker of what is going to happen in the watch and calculator market. Readers will remember the start of the digital watch craze a very few years ago and how difficult it frequently was to find a replacement battery after too-enthusiastic button-pushing had drained the original one.

Now, however, liquid crystal display watches and calculators are far less power-hungry and batterly lives as long as five years in watch applications are confidently quoted.

But the lithium button cell developed by National Panasonic has what appears to be an even better performance with five to 10 years life running a calculator anticipated, so that the maker can state that the battery has become a component and not a "consumable."

In the circumstances and providing the above units stand up to expectations, it is hard to see where the justification for new developments in buttons would come from.

Ted Schoeters

Potential for electric vehicles

THE VEHICLE market could be the biggest thing for battery manufacturers for decades. Or it could come to very little. Both these views find expression among battery manufacturers, though now, helped by some Government cash, the optimistic view appears to be dominant.

Last November, the Greater London Council and the Department of Industry launched a joint three-year experiment to assess the usefulness of electrically-powered vehicles operating in Central London. Around 60 vehicles, powered by Chloride, Lucas and Crompton systems are being used, operated by London boroughs and other organisations.

The aim of the exercise is to get information on how the vehicles perform, and how the drivers like them. To this end, the Department will top up the extra cost of the electric vehicles to the user, and the suppliers will lower their profit margins on each sale. It is reckoned that the scheme cost the Government around £340,000—a modest enough beginning for what has been billed as the direction road transport will—or at any rate, in the view of some, should go.

Running costs, energy consumption performance and ease of repair will all be monitored by the authorities and by the manufacturers. The vehicles themselves will be delivery vans varying from 0.75 to 2 tonne payloads, employed on a variety of duties.

Chloride and Lucas are the major suppliers for the GLC/Government experiment, both introducing competing vehicles which are prototypes of what might become a rapidly growing product. Chloride, in conjunction with the U.S. company Chrysler (and now, presumably, in conjunction with the French company Peugeot—details are not yet settled), has developed a 35 cwt payload van called the Silent Karrier. The National Freight Corporation has taken a hand in the development, too.

The Silent Karrier has a current performance of 35 miles range, 40 miles maximum speed, 0-30 mph (with 35-cwt payload) in 19 seconds and 30-40 mph in 25 seconds. Some 25 were earmarked for the London scheme, attracting a Government subsidy of £150,000.

Lucas, in co-operation with the General Motors Bedford division, has also developed a 35-cwt van, with a range of between 50 and 70 miles, a maximum speed of 50 mph, and an acceleration of from 0-30 mph in 14 seconds and from 30-40 mph in 10 seconds. The GLC scheme will get 30 of these trucks.

The battery itself is the key to further development, and indeed to the general acceptability of the electric vehicle as a reasonable replacement for the internal combustion engine. For the moment, the lead-acid type prevails: but developments are afoot which might—at present, it is only might—change all that.

Range

In their present vehicles, both Lucas and Chloride are using improved, high performance versions of the lead acid batteries, which can increase the range, speed and performance of the vans quite considerably. However, the quantitative leap required to take the electric vehicles into serious competition with petrol vehicles will probably require the successful development of the sodium/sulphur battery, which has not yet been achieved.

Chloride, together with the Electricity Council, and with £2m worth of Government aid, is developing a sodium/sulphur battery which, it is claimed, will be three times more efficient than the best lead-acid type presently available. That means, for example, that the Silent Karrier could have a range of 150 miles, rather than the present 35, or 50 with high performance batteries.

At the present stage of development sodium/sulphur batteries have achieved a life of nearly 600 cycles (or rechargings), while Chloride believes that a satisfactory minimum would be 1,000. Present lead-acid types are around 1,500 cycles, equivalent to a life-span of around 5 years, which is the longer-term aim of the sodium/sulphur researchers.

However, Chloride has made it clear that the sodium/sulphur technology is not very near to commercial application, estimating that it will probably not be until the mid-1980s that the batteries will be commercially produced. The snag, apparently, lies not so much in difficult production technology as in uncertainties over the life-span and general reliability of the sodium/sulphur cells.

Lucas appears to be keener on refining lead-acid technology—in which it claims it is the world leader—and is now much of the way through a six-year programme aimed at getting electric vehicles on to the production lines. To do so it must solve another problem besides the battery one: that of the circuitry in the vehicle.

The circuitry which Lucas has developed (and Chloride is at a similar stage) is advanced logic circuitry aimed at simulating conventional vehicle handling, in order to make the transition from conventional to electric vehicle as smooth as possible. The UK objective has been to provide a package requiring the minimum structural adaptation to conventional vehicles and which will enable them to drive and steer like vehicles with conventional gear boxes. Regenerative braking systems, for example, simulate engine retardation when the foot is lifted from the accelerator.

In its aggressive programme, Lucas has recently attracted more than £2.2m worth of Government support, which presumably demonstrates that the practicability of its commercial projects is being taken seriously by others than itself. Lucas itself will invest around £4m over the next three years in the electric drive system which can be incorporated into the standard chassis. The difficulty it faces is in simplifying and automating the assembly of electric motors and other essential components. At present, these products are made by labour-intensive means in small batches, which means that the prices of the finished components are not competitive with petrol or diesel engine systems.

However, Lucas believes that it should be possible to bring the cost of buying and ope[rat]ing the vehicles to below [that] of rival products. The Gov[ern]ment-backed scheme will e[nable] the manufacture of 40 veh[icles] a year for the next three y[ears] and will allow the compan[y to] gain experience in the opera[tion and] performance of them.

Mere capital cost is no[t the] only part of the cost equa[tion] as electric vehicle enthus[iasts] insist. Both Lucas and Chlor[ide] claim that the battery-opera[ted] vehicles will have a lo[nger] operating life than the e[qui]valent conventional ones, [and] that the total costs over the [life] of the vehicle will be less [for] the electric versions.

At present, the selling p[rice] of an electric vehicle might [be] between 2.5 and 3 times [that] of a conventional equival[ent.] Chloride claims that for [a] company's size of elect[ric] whole-life costs will be e[qui]valent when the capital c[ost] comes down to a ratio of [...] If the Lucas programme i[s a] success, the company may be [in] the market place in the [la]te 1980s with a version selling [at] a ratio of as low as 1.5:1.

The Government's inte[rest] has been stimulated lar[gely] because it sees the electrics offering a way of achiev[ing] large-scale energy sav[ings,] obviously, in this case, sav[ings] of oil imports. It is [...] encouraged to lend a hand [by] the belief that UK technolo[gy] is among the best, if not [the] best, in the world. [Chloride] and Lucas both believe th[ey] can get workable systems [on the] road before the Ame[rican] companies of General [Motors] and Ford.

However, it should be no[ted] that the collaborators with [the] battery companies are [...] U.S. subsidiaries — Gene[ral] Motors UK and Chrysler [UK.] British Leyland has still [not] declared an interest—though [it] is strongly believed that C[live] Sinclair, chairman of Sincl[air] Radionics, is spending much [of] his thinking time pon[dering] developments in just this [area] of the market.

John [...]

The Phase 11 Lucas Electric Taxi designed by Ogle of Letchworth

Manufacturers seek to boost exports

THE contribution of Britain's battery manufacturers to the country's export effort is largely obscured by the great number of subsidiary companies which have been established abroad to meet world demand.

However, the value of direct exports from Britain of primary and secondary batteries including parts was valued at £76m last year, compared with £56m in 1976, and manufacturers are optimistic that volume will increase substantially this year.

Traditionally, British manufacturers have suffered from too much domestic capacity but this was largely taken up recently, partly due to industrial disputes which hit the two major manufacturers, Chloride and Lucas.

Now, however, the industry is returning to its former position of over-capacity and is seeking to increase direct exports, mainly to the European market, but faces strong competition from French and West German competitors.

Although some direct exports are sold in countries farther afield, the transport costs involved in shipping such heavy and bulky goods have led to dozens of subsidiary companies being set up. Chloride, for example, has subsidiaries in 35 countries including Europe. As the country's largest maker of automotive batteries, it believes that the British product has a good image abroad but has recently suffered from being uncompetitively priced in foreign markets.

This, it suggests, has come about as a result of high demand at home and consequently higher prices, but now that it has become necessary to sell aggressively abroad, prices are likely to fall into line with foreign producers.

In Europe the toughest competition will come from Varta in West Germany, which already has a marketing operation in Britain and has captured a small percentage of the market, and CGE in France.

Despite some delays, Chloride's new battery factory at Over Hulton, which will be one of the most advanced in the world, will start production early next year and is designed to be a cost-effective production unit with the capacity necessary to exploit potential growth in the European market.

The operation of Chloride's American and other overseas operations last year were satisfactory overall, although difficult market conditions in the U.S. and production problems contributed to a poor performance. However, this improved somewhat in the second half.

It is perhaps notable that on sales of £170m in Europe in the last financial year, Chloride had an operating profit of just over £17m, with automotive and industrial products providing the main share, while on sales of £58m in the U.S., operating profit was only £2.2m. In other overseas countries profits of £10m were made on sales of £78m.

Chloride sees great potential for exports of nickel cadmium batteries, with around half its production now being sold abroad, mainly in competition with Jungner of Sweden, Saft of France and Varta. Factory expansion is now taking place and it sees a higher proportion of exports in future.

Lucas, with 11 manufacturing units spread mainly in old Colonial countries which are difficult to serve through direct exports, nevertheless manages to sell 15 to 20 per cent of its UK output abroad and also has ambitions to boost sales in Europe. It sees the Middle East as the other most promising market.

Protectionist tendencies in many developing countries are seen as a continuing problem, although there are plans to extend the exports of its Australian subsidiary to areas such as Korea, the Philippines and other countries in the area.

Dominated

Lucas Batteries recently entered the industrial battery market, which remains dominated by Chloride, which sees this as an active area in future, but future demands on motive power remain largely dependent on developments of electric powered vehicles.

Oldham Batteries at Denton, specialising in tubular traction batteries, has made a successful entry into the United States market in conjunction with an American company, Eagle Picher, and it expected that this market will prove to be an increasing source of orders during the coming years

Oldham France at Arras has increased the production and sale of industrial batteries both for traction and stationary applications and has established a chain of service depots throughout France. During this year it is planned to start production of automotive batteries.

It is now apparent that with both French and West German manufacturers barely able to fully utilise their capacity, and the British industry now ready to attack the European market with a range of products, competition will become even tougher and prices are likely to come under severe pressure.

Turning now to the export of primary batteries, the performance of Ever Ready (now the Berec Group) has been exceptional, with the value of sales abroad rising from £29.5m in 1975-76 to £41.9m in 1976-77, an increase of 42 per cent. In volume this is an increase of 20 per cent and continues a pattern of strong export growth over the past five years.

This success is attributed by the company to intensive effort in all product areas to offset slack demand at home, and including royalties and dividends the company earned £45m in foreign currencies in 1976-77.

However, early indications are that the company will not mark up such a large increase in exports this year. Mr. Lawrence Orchard, chairman and chief executive of the Berec Group (formerly Ever Ready Company Holdings), said recently: "In spite of a continuing improvement in our exports, it would be unwise to read into a single quarterly performance too optimistic an estimate of results either at the half year or the end of the year next February."

The company's major markets continue to be Europe and West Africa, where it has been a major supplier of batteries to emerging countries and where there has been strong demand generated by sales of transistor radios and other battery powered appliances. There has also been strong growth in the Middle East.

These areas are still seen as prime markets for the future and the company has recently established marketing subsidiaries in Denmark and Holland. In the Far East the main intention has been to develop links with manufacturers of original equipment, such as watches and calculators.

The change in the company name is a significant move aimed at ending confusion caused by the fact that Union Carbide of the U.S., the world's largest manufacturer of batteries, owns the trademark Eveready in most parts of the world, including North and South America, the Far East, India, Australia and most of Africa.

The battery divisions of the Berec Group at present trades under six trade marks—Ever Ready and Varley in the UK, Superpila in Italy, Daimon in West Germany, Eveready in South Africa and Berec in all other free world markets.

It had become clear that with such large international interests, the company was better known abroad under the Berec name. It is an indication of the change in its pattern of trade over the past five years that such a move was necessary.

The Berec Group is Europe's largest manufacturer of dry batteries and employs some 16,000 people at home and overseas in activities ranging from the manufacture and sale of battery powered appliances, motor control gear, electrical lighting, electronic and general engineering products.

Daimon in Germany is a wholly-owned subsidiary while Superpila in Italy is 60 per cent owned. There are also marketing subsidiaries in Norway, Sweden and Portugal and domestic manufacture in Nigeria by a 65 per cent owned subsidiary.

The foreign trading policy of the company was well summed up recently by Mr. Orchard: "Bearing in mind that production of battery systems is highly capital intensive, it has not been our policy to litter the world with small manufacturing units in a host of countries like some of our international competitors.

"Rather we plan and build larger, automated plants to ensure efficient low cost production units. Such a policy demands that you cannot make all systems and all types of batteries in one factory. Rather each one of our factories tends to specialise both in system and types and our marketing companies at home and abroad are supplied not only from domestic sources but from overseas as well."

Lorne Barling

[ظلها من الأصل]

The Management Page

EDITED BY CHRISTOPHER LORENZ

ACCOUNTANCY

Lifting the veil on the real cost of pensions

BY P. RAYMOND HINTON

...IE ACCOUNTING and report-...g of pension costs in company ...ancial statements currently ...rges on the clandestine. This ...the more amazing in the light ... the growing importance ...ached to pension rights by ...ciety and the fact that virtu-...y every large British com-...ny, and a large and rapidly ...owing number of smaller ...es, possess some kind of ...sion scheme.

...The changing environment ...r pensions has resulted in a ...amatic increase in company ...nsion costs. Employer con-...butions to private sector ...nsion schemes are currently ...imated at £2.5bn per annum ...d on average probably ...ount to between 15-20 per ...t of profits before tax. If ... future were to mirror ...sent trends in the U.S., com-...y contributions could be in ... range of 25-30 per cent of ...fits *before tax* within a few ...rs.

The present laissez-faire posi-...n is characterised by the ...ence of any statutory ...quirements to disclose ...sion information (other than certain information for direc-tors), and professional require-ments which are confined to recommending certain dis-closures where a company has made, or is obliged to make, special contributions to cover past service costs or a fund deficiency.

As a result, few companies go beyond providing the barest possible information on their pension schemes and many major companies make no refer-ence to their pension schemes at all. Such reticence may well stem from the historical inadequacies of many schemes.

Backwaters

The prevailing calm is likely to end later this year when the Accounting Standards Commit-tee publishes its long-awaited exposure draft on pension costs. The draft will hopefully bring pension accounting from the backwaters and set the scene for a national debate on the many highly controversial issues involved.

By way of backcloth, the Government indicated in its Green Paper, "The Future of Company Reports" (July, 1977) that it would like to see dis-closure of "... all information necessary for an assessment of how far the financial position of the company might be affected by its commitments and obliga-tions in respect of pension arrangements."

By confining its comments to disclosures, the Green Paper is typical of much of the tradi-tional debate on pensions. How-ever, if disclosure of present practices is all that is achieved, we will not have moved too far forward. The problem is more serious.

There are two broad issues on which a consensus must be reached. Firstly, what general reporting of pension arrange-ments, funding, costs and accounting should be made in company financial statements, and secondly what, if any, disciplines should be estab-lished for the determination and accounting of pension costs.

Lifting the veil on corporate pension schemes is bound to meet opposition, since both shareholders and employees alike may get some surprises. Management will predictably argue that the issues are too complex to be understood by all but the most sophisticated reader. While the subject is undeniably complex and clouded in actuarial mystique, much meaningful information can be given in simplified terms and the user who needs a more thorough understanding (e.g., significant investors and unions) will readily avail them-selves of expert advice given the primary data

Pension reporting should em-brace. (1) a description of the schemes in force including the employees covered and their pension rights, (2) the total pension charge for the period analysed between the cost rela-ting to current service and cost relating to other factors such as past service, (3) a descrip-tion of the basis on which pen-sion costs are determined, in-cluding the actuarial cost method (and principal assump-tions), the method of asset valuation and the policy with regard to the amortisation of past service costs, changes in the scheme and other actuarial surpluses or deficiencies, (4) the basis and method of fund-ing (as opposed to cost accrual) particularly covering whether the scheme is an "external" or "internal" scheme, (5) infor-mation concerning the latest actuarial support for the liabi-lities and assets of the fund and current costs, and (6) the aggregate unfunded past ser-vice liability.

Perhaps the most conten-tious disclosure will be the aggregate unfunded past ser-vice liability, which will indi-cate by how much future earnings will suffer from all of the factors that contribute to pension shortfalls.

In passing, one would also expect the foregoing disclosures to be made in the accounts of the pension fund itself.

However, the expanded dis-closures envisaged above will merely serve to highlight the variety of practices in use for determining pension costs. If we are to make real progress, it will be essential to reduce the variety of acceptable methods in vogue for determining pen-sion costs. While alternative methods of accounting exist for many events or transactions, the impact of the chosen method will generally be discernible from the financial statements. This is not so with pension costs.

Clearly pension scheme arrangements must remain sufficiently flexible to respond to the circumstances of each company. However, the present plethora of accounting alterna-tives must seriously detract from society's appreciation of the rights of employees and the obligations of employers.

The principal areas of con-cern are: the actuarial method, the actuarial assumptions, the accounting for past service costs and the accounting for changes in the scheme.

While it is now generally accepted that pensions are in substance a form of deferred compensation for the current period and, as such, current earnings should bear a charge for such compensation, different actuarial methods may result in significantly different pension costs. In addition, the assump-tions made with regard to such factors as future salaries, employee changes, retirement practice and the performance of the fund can have a dramatic effect on the assumed adequacy of a scheme.

While there are innumerable variations, actuarial methods fall into two broad categories—the single premium cost methods - and the aggregate funding cost methods (other-wise known as the accrued benefit cost methods and the projected benefit cost methods).

> ❛Past service costs are having an explosive impact on pension costs. Recent surveys in the U.S. have revealed the almost startling size of companies' unfunded past service costs.
>
> Even leaving aside the few drama-tic deficiencies, where the liabilities far exceed net worth, it is clear that the deficiencies are frequently signi-cant to net worth.
>
> It is clear also that they are grow-ing rapidly and in many cases could take years to eliminate even if all profit before tax were used to make good the deficiencies.
>
> There is every reason to believe that the position in the UK is, or soon will be, no different.❜

Under the single premium cost methods, the normal pen-sion cost is the present value of the future benefits arising from service in a given year. Since increases in benefits are charged in the period between when they arise and retirement, and such period is continually declining, pension costs on this basis will tend to increase each year. The aggregate funding cost methods on the other hand calculate the entire cost of the employee's projected benefits and spread the cost over all the years of employment. While most actuaries probably use one of the aggregate funding methods for self-administered schemes, the user will not know without disclosure and signifi-cant variations may still arise.

In any debate on actuarial methods, it is important to dis-tinguish between accounting and funding (the amount of current or accrued pension cost that is actually paid into the scheme). The auditor is not an actuary and has no skill or desire to advise on how schemes should be funded. Nevertheless, he is charged with reporting on the company's financial statements and, as such, is im-plicitly charged with respon-sibility for the meaningful accounting for pension costs, however such costs are funded.

Not only are the liabilities of a fund determined differently but varying assumptions about asset growth can dramatically affect the actuary's valuation of fund assets.

Past service pension costs arise when a scheme is estab-lished, where pension rights are provided for previously non-pensionable service, where benefits are improved, new sectors of the workforce are in-cluded, or increasingly where pensions are systematically linked to price indices. Deficiencies also arise when the actual experience of the pension scheme differs from that assumed by the actuary when it was established: false assump-tions about increases in salary levels and returns on invest-ment will be the two com-monest causes.

Past service costs are having an explosive impact on pension costs. Recent surveys in the U.S. have revealed the almost startling size of companies' un-funded past service costs. Even leaving aside the few dramatic deficiencies, where the liabili-ties far exceed net worth, it is clear that the deficiencies are frequently significant to net worth, are growing rapidly and in many cases could take years to eliminate even if all profit before tax were used to make good the deficiencies. There is every reason to believe that the position in the UK is, or soon will be, no different.

While accounting for past service costs, particularly if lump sum payments are made to mitigate any deficiencies, is a major factor in the determina-tion of pension costs, there is no accepted basis for account-ing for such costs. Most com-panies spread such costs over future periods, but the period of amortisation (frequently upwards from 20 years) is at the total discretion of manage-ment.

The policy of future amortisa-tion is based on the argument that since the benefit to the employer from such costs can only accrue from the future ser-vice to be provided by the newly rewarded employees, such costs should be spread over some future period. This policy has the attraction that the extra cost is smoothed over a number of years.

A more realistic approach would be to recognise that the additional liabilities are noth-ing else than an adjustment of past costs. This approach would require the liabilities to be charged to income as soon as they are determined, as the relevant employee service has already been rendered. Should such a rigorous approach prove unacceptable, the new account-ing standard should require, at a minimum, that the total liability should be disclosed in the balance sheet as soon as it is known, and amortised against income over an agreed and con-sistent period.

Pension schemes are subject to continually changing condi-tions, which can only properly be assessed by actuarial valua-tion. Inflation, falling stock markets and increasingly generous pension schemes have all increased the size of most companies' pension liabilities.

Surely it is time to consider a more continuous and timely approach to such valuations? The triennial valuation is hardly "current." What other corpor-ate liabilities are estimated as rarely as every three years? The uncertainty is compounded by the fact that valuations are often completed a year to 18 months after the applicable year-end.

More current determination of pension liabilities is a pre-requisite for better pension accounting. One approach would be to maintain a triennial valuation but to identify "economic markers" which, if exceeded during the period between valuations, would trigger a revaluation.

Confusion

Whatever the theoretical arguments advanced by actu-aries and others for the profu-sion of current practices, users of financial statements are not helped by the confusion it causes. Surely the time has come for interested parties — the business and investing com-munities, employees, actuaries and accountants — to get together and reduce the variety of acceptable practices? This consultation should produce a code of practice upon which the new accounting standard would be based.

P. Raymond Hinton, FCA, is a partner in Arthur Andersen and Co.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Expenditure on a lease

Company A rents premises at £275 per annum and sublets to company B at £1,475 per annum. Subsequently A fails and goes into liquidation. B takes the opportunity to buy the head lease from A's bank, which holds it as security against A's overdraft. As a result of this transaction the lease is assigned to B whose rent then falls from £1,475 per annum to £275 per annum. The lease, which at the time of purchase has six years to run, is bought by B for £1,400. The Inland Revenue say that this is a payment for assignment of the lease, and not a premium for a grant of the lease. "If this is so," writes the Tax Inspector, "then there are no provisions in the Taxing Acts by which an allowance can be given in respect of the capital expenditure on the lease. Accordingly, I formally deter-mine the appeal lodged in the sum of £567 under the pro-visions of Section 54, Taxes Management Act 1970 and the tax overpaid will be repaid." What is the difference and are they correct in ruling that no allowance against tax can be given in respect of the £1,400?

Perhaps we should observe that the first part of the final para-graph of the tax inspector's letter is ultra vires and void. He has no power under section 54 to do what he purports to do, and this point may be important.

On the nature and tax conse-quences of the essential differ-ence between a premium for the grant of a lease (not yet in existence) and a payment for the assignment of the unexpired portion of an existing lease, you will find general guidance in a free booklet IR27, which is obtainable from most tax inspec-tors' offices: Notes on the Tax-ation of Income from Real Property. Unless the assignment was caught by the anti-avoidance rules explained briefly in para-graphs 46 to 49 on pages 12 and 13 of the 38-page booklet (which seems unlikely, on the bare facts given) then the inspector is right in saying, by implication, that no corporation tax relief is avail-able to company B under section 134 of the Income and Corpora-tion Taxes Act 1970.

As the headlease is a wasting asset, subject to the rules in schedule 8 to the Finance Act 1965, only part of the considera-tion paid by company B to acquire it could be deducted in calculating the chargeable gain on any subsequent disposal to a third party.

Dealing with a bad tenant

In accordance with the advice of my solicitor, I am agree-ing to withdraw Court pro-ceedings against a farmer for the rent of my furnished bun-galow which he has sublet to a farm worker, after incurring considerable costs. It seems likely that the farmer will default again before long. Have I any sort of redress against such a tenant?

If you have agreed to the with-drawal of the Court proceedings you will have no redress for the costs you have incurred. Should such a situation arise again you should insist that your costs of the action are paid as well as the arrears of rent: as you would be entitled to those costs if the arrears were not tendered before the action was com-menced.

LOMBARD

Loans and bank limits

BY MICHAEL BLANDEN

THE BANKS have managed to get themselves back within the limits imposed by the official corset restrictions on their growth. In spite of the improved figures published for the mid-August banking make-up day, however, the bankers are still far from happy about the outlook for the next few months.

Their potential problems are easily summarised. First, while subject to the general restraints imposed by the corset the banks are nevertheless still expected to give priority in their lending to borrowers in industry and to exporters under the official guidance which is still in force. Secondly, they are fully expecting a continued substantial rise in the demand for finance from both the personal sector and industry to support the apparent boom in consumer spending.

Low priority

Finally, the banks are again facing the difficulties with which they became familiar in the periods of credit squeeze of the late 1960s in implementing any restraint on lending in the short term. The banks have been indicating to their branch managers that they should hold back lending to personal and other low priority sectors. But they recognise that if industrial demand for overdraft finance is sustained at a fairly high level they may have to incur penalties under the corset system rather than leave their customers in the lurch.

Given the substantial distortions which have affected the banking figures over the past few months it is far from easy to discern the underlying pattern of lending. It is quite clear, though, that there has been a marked increase in the overall upward trend of advances. From March through to July the total lending of the banking sector in sterling to the UK private sector had been rising—making allowance for known special factors—at something between £500m and £600m a month, and the early signs of the upsurge were the main factor prompting the official decision to re-introduce the corset controls.

For the latest month, to mid-August, figures are available only for the clearing banks. These showed an apparent slow-down in the underlying rate of growth in lending, and though the change may partly have reflected switching by big borrowers back to money market sources there is some feeling that the rate of growth may have slackened overall. Nevertheless, the evidence is that the demand for funds is likely to remain high.

The full breakdown for the banking sector as a whole will be available from the official statistics only later this month. However, the London clearing banks provide their own analysis of lending on a quarterly basis which illustrates the point clearly. Taking the 12-month period to mid-August as a whole, the manufacturing sector has lagged behind the growth elsewhere. Overall, London clearing bank lending in sterling to UK residents rose by around 16.5 per cent.

Manufacturing companies pushed their borrowing up by around 14.8 per cent, rather below the overall level of increase. But this rise has accelerated sharply in the last three months, with the period from May to August showing an increase of £581m, the bulk of the £684m recorded over the year as a whole and representing a rate of growth nearly double the average for the whole of bank lending during the period.

As Barclays pointed out in its latest survey of the U.K. financial scene, there are good reasons for expecting a continuing strong demand for bank credit. The expected slowdown in the rate of growth of real personal income later this year is likely to stimulate a further increase in the demands of the personal sector to sustain the recent higher levels of consumer spending. In this area, the banks may be forced to become more restrictive in their lending policies.

Less simple

It will be undesirable and much less simple, however, to restrain the growth in borrowing by industrial customers. Their requirements are also expected to continue the recent marked upward trend.

Quite apart from their reluctance to squeeze their priority customers in industry, the banks face a special problem. Over the past few years of generally sluggish loan demand, industrial companies have nevertheless taken the opportunity to renegotiate their overdraft limits at higher levels.

To some extent, the banks have improved their control over lending by switching a growing proportion on to a fixed-rate medium-term basis. But Barclays commented at the time of its half-year results in July that its industrial customers were still taking up less than half their agreed overdraft limits. This can easily rise to 55 or 60 per cent in times of economic expansion, and an upsurge of this kind would leave the banks little option but to incur the corset penalties.

Camellia's for an entertaining winter

GARDENS TODAY

BY ROBIN LANE FOX

TOWN GARDENERS, who must outnumber the rest of my readers, are usually tempted at some point in their lives to buy a camellia. There is no more glorious shrub for a shaded town garden, set on damp and acid soil. I mean to be simple on this subject, so for those who are in any doubt, acid soil is a soil with no significant lime in it, soil in which you can grow rhododendrons. Peat, or enriched garden peat, is "acid," in this sense. I will not muddle you with pH ratios and soil-testings, though these are quite simple.

Acid soil

Most London gardens are acid. If you are planting a camellia in a pot or a window box, fill its place with garden peat and set aside your worries. Water it with rain-water, when possible. If you have to water it with limey water, you will see its leaves turning yellow. This is not because lime "kills" it. Lime prevents a camellia from drawing iron salts from the earth. You can correct this, at a modest price, by using Murphy's Sequestrene.

Sequestrene works very well: I have absolute faith in it. If you have to use limey water, it will make up the balance. Even if you garden on an alkaline soil, regular doses with Sequestrene will bring the camellia through. It is simply a chelated iron which dissolves in water and can be taken up, on lime, by a camellia's roots. But you must apply it regularly, never missing a dose. You can also set a double thickness of polythene as the liner to a 3 ft trench, well filled with peat. The roots, then, will stay away from the lime. Sequestrene may still be necessary, but you might escape without it. If you use it as directed, you can grow fine camellias in a setting of limestone. In Oxford, I look out on an admirable early rose-red one, set against an alkaline wall, whose flowers have been exhibited at the RHS. Fed with Sequestrene, it is quite happy.

Now, I want to suggest that you might like to try taking cuttings off your camellias over the next week or so. They impress outsiders when they root, but they are not at all difficult. The season closes around September 20, so you still have time. Such are the prices of new bushes that you will be following a sound path. It is all most ingenious.

First, find a large glass jar. This is no Cordon Bleu recipe, intended to shake your confidence by calling for grated nutmeg. Ask any sweetshop. The glass jars for boiled sweets are ideal and have the big airtight stoppers which you need. Next, buy some sphagnum moss, the sort of thing which all orchid-growers use. Bog Irish readers could well use their bog-mosses; the rest of us are advised to order the best from a garden store. It will probably be shredded already. If not, chop it up. Soak it in water, then squeeze it out so that it drips no more. Mix it up with a third of its volume again of any coarse, gritty sand. Try to add in some lumps of wood charcoal to keep it sweet, just as you might put charcoal in a water glass when growing a hyacinth bulb without soil. Fill one-third of your glass jar with this interesting mixture. Then, approach your best friend's best camellia with a pair of secateurs.

All you need from it is a short length of stem whose wood is half-ripened, not a thick brown-green nor a soft and floppy young green. It will almost certainly be a dark green piece, about six or nine inches long and will have two or three pairs of leaves. If you can cut the stem where it joins older brown wood you are right on target. At this time of year, the leaf-axils, where leaf and stem meet, will have new growth-buds in them. That is quite healthy.

For convenience in your jar's cramped space, halve the size of the leaves which remain on your cutting. Two remaining pairs of halves are quite enough. Halve them with a sharp razor-blade or kitchen knife. Keep the jar to hand throughout, so that you can slip the cutting into its moss and sand as soon as possible. Never leave the cutting lying around off the plant or keep it waiting. It will lose water, fatally. If this happens, slip it for a while into a polythene bag, as I mentioned a few months ago, and add drops of water into the bag until it revives. But this is a last resort.

You should fit three or four cuttings into a sweet-jar. You should then paint the glass outside with a light coat of white emulsion paint through which the sunlight will still filter. Leave a small blank space on one side only so that you can spy on events inside. Stand the whitened jar in a sunny window with the spy-hole towards you. Do not open the screwed lid of the jar unless you see that several leaves or cuttings have turned brown. Only then should you open it briefly and whisk your hand in to take the [...] Return the lid at once. [...] add water.

The cuttings, or some of [...] will root eventually. The[...] show new growth a week before they root fully, so unscrew the lid just as [...] they start to move. Wait [...] while, then open and po[...] cutting into a compost [...] sharp sand, half of peat [...] narrowest possible pot. [...] these pots into the glass [...] open the lid every other [...] break them in gently to [...] When you have an ope[...] spray a little water inside [...] a fine scent spray. After [...] they can come out for goo[d].

Two seasons

How long does all this [...] Perhaps a month, perhap[s] [...] months. You must then p[...] young cuttings on very gra[...] never into an excessive [...] keep your eye on them [...] growing seasons. In the [...] year they will be well aw[...] doubt they will try to flow[er] [...] or earlier because their [...] are already quite matur[e] [...] not be proud of this. [...] flower-buds out. They [...] your plant's strength.

Maybe you prefer to [...] glass jars only for the [...] sugar. Maybe it sounds [...] haul. But there is no [...] quite like a camellia raise[d] [...] your own stock. Try it [...] if you want an enter[taining] winter.

R. B. Chesne looks good enough to win Champagne Stakes

RACING

BY DOMINIC WIGAN

RECENT WINNERS of the Champagne Stakes include Grundy which has won two Derbys and the King George VI and Queen Elizabeth Diamond Stakes, J. O. Tobin, arguably America's most talented middle-distance performer; and Wollow, the 2000 Guineas winner. It could well be that today's renewal of the Laurent Perrier Prize will add to the Doncaster race's reputation.

There has certainly been no more intriguing two-year-old event run in Europe this season.

The seven due to line up for this afternoon's Group Two events include R. B. Chesne, unbeaten and unextended last time out in the Washington Singer, More Light, "a thrilling prospect," according to trainer Dick Hern, as well as the under-rated Imperial Fling.

Although it is hard to look beyond a colt who has won his only race by 12 lengths and has received such an accolade from the handler of Brigadier Gerard I believe that More Light will find the more experienced R. B. Chesne, a son of Brigadier Gerard, too good.

R. B. Chesne was a narrow and unimpressive winner, "entirely due to greenness," according to his handler, Henry Cecil, when scrambling home in Ascot's Sandwich Stakes. He then put in a far more captivating display in last month's Washington Singer Stakes. The Newmarket colt found no difficulty in putting three lengths between himself and Lightning Label in the Newbury race.

It is hardly surprising to find that Paul Kellaway has declined another tilt at the Warren Place two-year-old with his runner-up.

If there is to be a turn-up I believe that it will be caused by the American-owned and bred Imperial Fling. Mr. George Strawbridge's Northern Dancer colt enjoyed anything but a clear run last time, and his partner, Lester Piggott, already successful in this event through Celtic Song, Ribofilio, Crowned Prince and J. O. Tobin, will have him well placed from the outset in this small field.

Even if he does not take the big one through Imperial Fling Piggott ought to go one closer to a worldwide tally of 4,000 for the beautifully bred Court Barns. This filly by Riva Ridge out of Sovereign, looks a cut above her opponents in the Devonshire Stakes.

Later in the afternoon Chop Gate, a highly promising second to Leonardo da Vinci in the Wood Ditton at Newmarket in the spring, will probably have most to fear from Palemon in an interesting race for the Fitzwilliam Stakes in which Glinting attempts one and a quarter miles for the first time.

DONCASTER

2.00—Court Barns**
2.30—Azerila
3.05—R. B. Chesney*
3.40—Catechism
4.10—Crest of Gold
4.40—Marsharlot
5.10—Chop Gate***

Peak Park grants offer for improved landscape

SUBSTANTIAL GRANTS are being offered to landowners and tenants in the Peak District National Park to encourage them to reclaim derelict land.

The scheme, promoted by the Peak Park Joint Planning Board, and operating to April, 1983, will provide up to 75 per cent of eligible costs. It is intended primarily to help restore the smaller areas of dereliction which would benefit from simple improvement. These sites could include disused spoil heaps, worked out mineral diggings and eyesores caused by decaying buildings and fly-tipping.

Sites not eligible for grant aid are those which are derelict from neglect or natural causes, or which are of archaeological, historical or wildlife interest, and those where planning conditions concerning restoration of a site exist.

It is hoped that the grants will result in the enhancement of the park landscape through the efforts of the local people.

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 12.45 pm News. 1.00 Pebble Mill. 1.45 Fingerbobs. 3.53 Regional News for England (except London). 3.55 Play School (as BBC 2 11.00 am). 4.20 Boss Cat (cartoon). 4.40 The Clever Girl. 5.00 John Craven's Newsround. 5.10 The Winged Colt. 5.35 Ivor the Engine.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Barney Bear.
7.05 It's a Championship Knockout.
8.15 Z Cars
9.00 Party Political Broadcast by the Labour Party.
9.10 News.
9.35 Loose Change.
10.25 Sportsnight.
11.25 Tonight.
12.05 am Weather / Regional News.

All regions as BBC 1 except at the following times:

Wales—5.10-5.35 pm Bilidowcar. 5.55-6.20 Wales Today. 6.55 Heddiw. 7.20 Portrait of Gareth Edwards. 7.50-8.15 Tomorrow's World. 9.00-9.10 Party Political Broadcast by the Labour Party, Wales. 12.05 am News and Weather for Wales.

Scotland—5.55-6.20 pm Reporting Scotland. 9.00-9.10 Party Political Broadcast by the Labour Party in Scotland. 12.05 am News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.25-11.25 Sportsnight (part 1). 12.05 am Weatherman. 12.06 am Sportsnight (part 2) followed by News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
9.50 Gharbar.
10.15 Liberal Party Assembly from Southport.
11.00 Play School.
11.25 and 2.00 pm Liberal Party Assembly (further coverage).
4.55 Open University.
7.00 News on 2 Headlines.
7.05 Erica on Embroidery
7.15 An ABC of Music.
7.30 News on 2.
7.45 Gardeners' World.
8.10 Brass Tacks
9.00 Party Political Broadcast by the Labour Party.
9.10 Jack High: Kodak Masters Bowles Tournament.
9.40 Eustace and Hilda.
10.55 Fabric of an Age with A. J. P. Taylor: the Manchester cotton industry.
11.45 Late News on 2.
12.05 am Closedown (Reading).

BBC 2 Wales only—9.00-9.10 pm Party Political Broadcast by the Labour Party, Wales.

BBC 2 Scotland only—9.00-9.10 pm Party Political Broadcast by the Labour Party in Scotland.

LONDON

9.30 am To the Wild Country. 10.20 Boney. 11.10 Mr. Speaker. 11.35 The Practice. 12.00 Cloppa Castle. 12.10 pm Pipkins. 12.30 Sounds of Britain. 1.00 News plus FT index. 1.20 Thames News. 1.30 Crown Court. 2.00 Liberal Party Assembly. 2.55 Racing from Doncaster. 4.20 Michael Bentine's Potty Time. 4.45 Search and Rescue. 5.15 Anfield's Centurions.
5.45 News.
6.00 Thames at Six.
6.35 Crossroads.
7.00 Lingalongamax.
7.30 Coronation Street.
8.00 The Benny Hill Show.
9.00 Party Political Broadcast by the Labour Party.
9.10 Born and Bred.
10.10 News.
10.40 The Mid-Week Match.
11.40 Vicky.
12.40 am Close: James Coyle reads a poem by Wordsworth.

All IBA regions as London except at the following times:

ANGLIA

9.30 am Child Life in Other Lands. 9.55 Presenting Will Shakespeare. 10.20 Little House on the Prairie. 11.05 Canada: Five Portraits. 1.25 pm Anglia News. 5.15 Mr and Mrs. 6.00 About Anglia. 11.40 Chopper Squad. 12.35 am The Big Question.

ATV

9.40 am Something Different. 9.55 Talking Bikes. 10.20 Angling Today. 10.45 ATV Sport. 11.10 The Jetsons. 11.30 The Wells of Montrose. 1.20 pm ATV Newsdesk. 5.15 Anfield's Centurions. 6.00 ATV Today. 11.50 Ghost Story.

BORDER

†9.45 am Film: "The Four Feathers" starring John Clements. 11.35 The Beachcombers. †1.20 pm Border News. 5.15 Gambit. 6.00 Lookaround Wednesday. 11.40 Power Without Glory. 12.35 am Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 5.15 Emmerdale Farm. 6.00 Channel News. 6.10 Ladies First. 9.00 Vision USA. 10.38 Channel Late News. 11.40 Streets of San Francisco. 12.35 am News and Weather in French followed by Epilogue.

GRAMPIAN

9.35 am First Thing. 9.40 Canada At War. 10.05 The Woody Woodpecker Show. 10.30 Feature Film: "The Picasso Summer," starring Albert Finney. 1.20 pm Grampian News Headlines. 5.15 Emmerdale Farm. 6.00 Grampian Today. 6.30 Police Newsroom. 10.40 Celebrity Concert: "Jack Jones." 11.40 Scotsport. 12.10 am Reflections. 12.15 Grampian Late Night Headlines.

GRANADA

9.30 am Sesame Street. 10.25 Wednesday Matinee: "The Wild and the Innocent," with Audi Murphy. 11.45 A Handful of Songs. 1.20 pm This Is Your Right. 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 The Cuckoo Waltz. 11.40 Blues.

HTV

10.00 am Sesame Street. 11.00 Survival. 11.30 World Worth Keeping. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 4.45 Apaches. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Emmerdale Farm. 11.40 The New Avengers.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.30-4.45 Un Tro. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

10.40 am The Invisible Reef. 11.05 The Sloane Affair. 1.25 pm News and Road Report. 5.15 Batfink. 5.20 Crossroads. 6.00 Scotland Today. 11.40 Late Call.

SOUTHERN

9.30 am Adventures in Rainbow Country. 9.55 David Niven's World. 10.20 The Invaders. 11.05 Return to the Planet of the Apes. 11.30 The Wells of Montrose. 1.20 pm Southern News. 5.15 The Undersea Adventures of Captain Nemo. 5.20 Crossroads. 6.00 Day By Day. 6.35 Scene Mid-Week (South East Area Only). 11.40 Southern News. 11.50 Police Surgeon.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 9.30 Who's Afraid of Opera. 9.55 Last of the Mohicans. 10.45 Animated Classics. 11.35 Inner Space. 1.20 pm North East News and Lookaround. 5.15 Happy Days. 6.00 Northern Life. 11.40 George Hamilton IV. 12.10 am Epilogue.

ULSTER

11.05 am International Mixed Foursomes. 1.20 pm Lunchtime. 4.18 Ulster News Headlines. 5.15 Cartoon. 5.20 Crossroads. 6.00 Reports. 6.35 The Bob Newhart Show. 11.45 Look and See. 12.00 Bedtime.

WESTWARD

10.18 am Out of Town. 10.35 Clue Club. 11.00 History Of Europe. 11.30 Sandokan. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 Emmerdale Farm. 6.00 Westward Diary. 10.38 Westward Late News. 11.40 Streets of San Francisco. 12.35 am Faith For Life.

YORKSHIRE

†9.30 am "The First of the Few." starring Leslie Howard. 11.25 Cartoon Time. 11.35 The Lost Islands. 1.20 pm Calendar News. 5.15 Gambit. 6.00 Calendar (Emley Moor and Belmont editions). 11.40 Elaine, the Singer of the Song.

RADIO 1 247m

(s) Stereophonic broadcast
‡ Medium Wave
(b) Binaural broadcast

5.00 am As Radio 2. 7.02 Dave Lee Travis. 9.00 Simon Bates. 11.31 Peter Powell. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.30 Listen to the Band (s) (also Radio 2). 8.00 As VHF. 10.02 John Peel (s). 12.00-2.02 am As Radio 2.

VHF Radio 1 and 2—5.00 am With Radio 2, including 1.55 pm Good Listening. 8.00 Listen to the Band (s). 8.15 Semprini Serenade (s). 9.02 The Fred Astaire Story. 9.55 Sports Desk. 10.00 With Radio 1. 12.00-2.02 am With Radio 2.

RADIO 2 1,500m and VHF

5.00 am News Summary. 5.02 Tony Brandon (s) including 6.15 Pause for Thought. 7.32 Ray Moore (s) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (s). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (s) including 1.45 Sports Desk. 2.30 David Allan (s) including 2.45 and 3.50 Sports Desk and Racing from Doncaster. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (s) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Sing Something Simple (s). 7.30 Listen to the Band (s). 8.00 European Soccer Special. 9.30 The Fred Astaire Story (on VHF). 9.55 Sports Desk. 10.02 Offbeat With Braden. 10.30 Hubert Gregg says Thanks for the Memory. 11.02 Brian Matthew introduces Round Midnight, including 12.00 News. 2.00-2.02 am News Summary.

Radio 2, Scotland Only—8.00-9.30 pm Sportsound European Soccer Special.

RADIO 3 464m, Stereo & VHF

†6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice, part 1 (s). 8.00 News. 8.05 Your Midweek Choice, part 2 (s). 9.00 News. 9.05 This Week's Composers at the Court of the Emperor Maximilian I (s). 9.35 Gabrieli String Quartet concert, part 1 (s). 10.20 Interval Reading. 10.25 Concert, part 2. 11.00 Manchester International Organ Festival 1978 (s). 11.50 Haydn and Milhaud chamber music (s). 1.00 pm News. 1.05 Bristol Lunchtime Concert. 2.00 The Symphonies of William Alwyn (s). 3.00 Beethoven's Hammerklavier Sonata (s). 3.55 Symphonies from the North (s). 5.00 Building a Library (s). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: Language and Communication. 7.30 Proms 78, part 1: Haydn, Beethoven (s). 8.35 The Arts Worldwide. 8.55 Proms 78, part 2: Tchaikovsky (s). 9.40 "Confessions of Zeno," from the novel by Italo Svevo (s). 11.15 Jazz in Britain: Howard Riley (s). 11.45 News. 11.50-11.55 Tonight's Schubert Song (s).

Radio 3, VHF Only—6.00-7.00 am, 5.45-7.30 Open University.

RADIO 4

434m, 330m, 285m and VHF

6.00 am News Briefing. 6.10 Farming Today. 6.30 Today, including 6.45 Prayer for the Day. 7.00 and 8.00 Today's News. 7.30 and 8.30 News Headlines. 7.45 Thought for the Day. 8.45 A High Wind in Jamaica. 9.00 News. 9.05 The Living World. 9.35 The Enthusiasts. 10.00 News. 10.05 In Britain Now. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 The Image Makers. 11.50 Letters from Everywhere. 12.00 News. 12.02 pm You and Yours. 12.27 Share and Share Alike (s). 12.55 Weather; programme news. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (s). 3.50 Choral Evensong. 4.35 Story Time. 5.00 PM Reports. 5.40 Serendipity. 5.55 Weather; programme news. 6.00 News. 6.30 My Music (s). 7.00 News. 7.05 The Archers. 7.20 The Burning Spear. 8.00 A Fine Blue Day is and b: Portrait of the Battle of Britain. 9.00 Science Now: The British Association. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Round Britain Quiz. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 News.

BBC Radio London

206m and 94.9 VHF

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 In Concert: Liszt Festival of London 1977. 10.03 Late Night London. 12.00-Close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

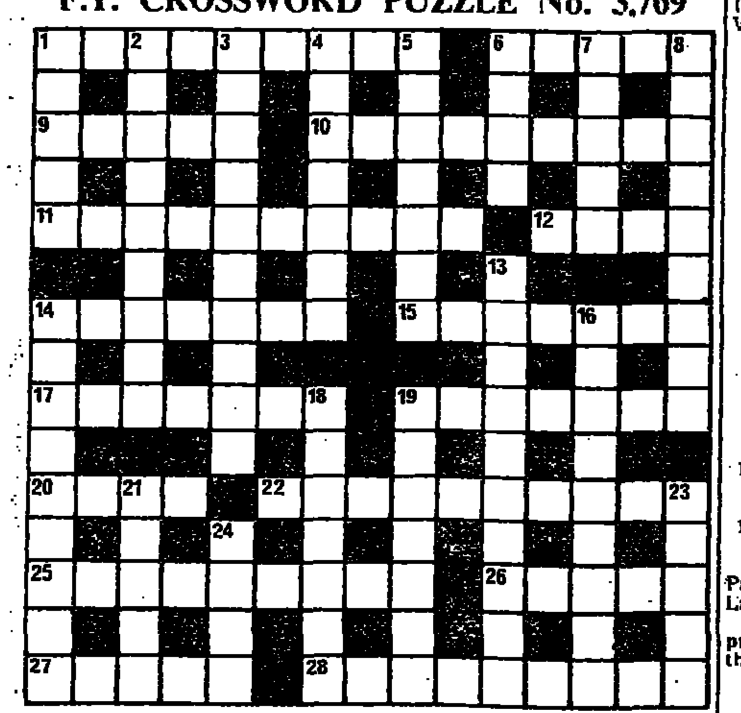
5.00 am Morning Music. 6.00 AM: Non-stop news, information, travel, sport. 10.00 Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale's 3 O'clock Call. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

194m and 95.8 VHF

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Jonathan King (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,769



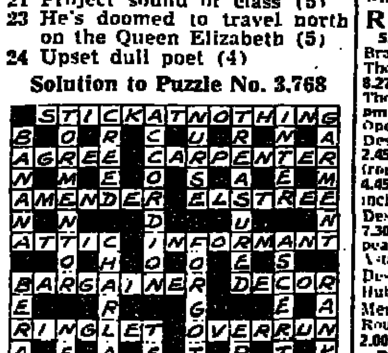
ACROSS

1 Blushes to see the regimental flag raised (7, 2)
6 Political party the Spanish classify (5)
9 Prize article protected child (5)
10 Joints for busy workers are something special (4, 5)
11 Heavenly gateman gets accommodation in college (10)
12 Insinuate into border (4)
14 Lot left of part of church (7)
15 Margaret gets like useless horse that flew (7)
17 Finish ancient city editor put up with (7)
19 Felon confused about divine battle (7)
20 Emperor one can disturb (4)
22 Winner to object very early (5, 5)
25 Conductor of opera elected twice round (9)
26 Crime to make a boy outside right (5)
27 Give in return (5)
28 Spectacles ever needed by gaping tourist (9)

DOWN

1 Credit gets over current contraction (5)
2 Minimum of speech speeding up repair job (5, 4)
3 Nineteen is one to emphasise (10)
4 Junior officers lubricate ground below the surface (7)
5 Keep fit exercise papers mounted (5, 2)
6 Water turning red (4)
7 Bear the strain (5)
8 Eavesdrops from inn's tiles maybe (7, 2)
13 Encourage glassy tribute to snack (3, 2, 5)
14 Science stinks (9)
16 Snobbery over children is not the main thing (4, 5)
18 Butteries I raised in confusion (7)
19 Doing without firm in Gateshead (7)
21 Project sound of class (5)
23 He's doomed to travel north on the Queen Elizabeth (5)
24 Upset dull poet (4)

Solution to Puzzle No. 3,768



ENTERTAINMENT GUIDE

CC.—These theatres accept certain credit cards by telephone or at the Box Office.

OPERA & BALLET

THEATRES

THEATRES

Television

On with the old

by CHRIS DUNKLEY

The first article in Kenneth Baily's *Television Annual* is devoted to a review of the preceding year, and the caption to the first picture in the article says: "Terry Scott and Bill Maynard joined forces to make a comedy series for BBC television. In the search for satisfying TV fun they followed in the steps of a long line of comics including Terry-Thomas, Eric Barker, Arthur Askey and Benny Hill . . . the BBC's light entertainment seems to follow much the same pattern year by year."

Nothing very remarkable about that you may think. But the annual is 21 years old and the Scott/Maynard series was screened in 1956.

With the autumn of 1978 practically upon us, BBC and ITV are once again shouting the news of a "New Season" and during the last two weeks scarcely a night has passed without the start of a "New Series." BBC1 is treating us to such "New Series" as *Tomorrow's World* and *Parkinson*, *Tonight* and *Panorama*, *Mastermind* and *Dr. Who*. For children there are the "New Series" *Blue Peter* and *Magpie*. Other "new" ITV series include *The Sweeney*, *Stars On Sunday*, *Father Dear Father*, *George and Mildred* and *The Saint*.

What's more, those bright young things Terry Scott and Bill Maynard have a "new" series each: Scott stars in *Happy Ever After* for the umpteenth time on BBC1, and Maynard once again plays the dim and frantic *Selwyn* on ITV. Watching these comedies with the powerfully stated complaints of the Edinburgh TV Festival still in my ears — complaints about slavish repetitiveness and stale stereotyping—it is impossible to find a word to say in defence of the broadcasters.

Mary Peach and Ian McShane in ATV's 'Disraeli'

The standard management response, that "we would gladly produce bright, fresh, different material if only the writers would bring it to us" is not good enough. It is not only that there are obviously ways of acquiring material other than sitting back and waiting for it to be thrust into your pocket. It is the fact that so many young (and not so young) writers insist that their work is rejected for being ahead of its time, or "not quite the sort of thing we're used to"—in other words for being fresh and different.

The work of American comedy producer Norman Lear which, with his opening lecture, gave the recent Edinburgh TV Festival its main focus, is now, in terms of subject matter, well ahead of anything we are allowed to see in Britain. Lear began his address by listing some of the formerly taboo subjects which his series (such as *All In The Family*, *Maude*, *Good Times*, *Mary Hartman, Mary Hartman* and *One Day At A Time*) had touched upon since January 1971.

"Death, infidelity, black family life, homosexuality, abortion, criticism of the economy and foreign policy, racial prejudice, problems of the elderly, alcoholism, drug abuse, menopause, the male mid-life crisis, heart disease, hypertension, breast cancer, lung cancer, mental retardation, depression, manic depression, plastic surgery, epilepsy, and more."

Judging from this Lear appears to cater mainly for hypochondriacs, and no doubt his list dismays those who like their comedy "clean and wholesome." Yet the fact is that coming to Lear's programmes after so many years of the mothers-in-law, lavatories, and big boobs and bums of British comedy (and even the *Upper Class Twit Of The Year* at the avant garde end) is a little like discovering the adult lending library after being restricted to the children's section all one's life. Of course British documentaries and plays deal seriously with such serious subjects, but that is just another way of saying that nowadays in Britain serious subjects are restricted to forms known generally to be of minority appeal.

Still, it is not only the ancient and boringly familiar which are presented to us as "new": there are also titles we really have never heard before, though even then the content often looks suspiciously derivative.

Staying with comedy, there is, for example, London Weekend's *Saturday Night People*, a series described as "journalism with laughs." The Edinburgh TV Festival proved that the word "satire" is still anathema among broadcasters, and in any case *Saturday Night People* is not exactly like the old satire shows. Not *exactly*. Which is a pity because the late night satire show is a form which should never have fallen into disuse: we need its ridicule and scorn in current affairs generally and directed at politics and politicians particularly.

The first in this series turned out, however, to be a rather flabby and somewhat disreputable affair, full of the familiar old chat show puffery. One of the guests, for instance, was Anthony Blond promoting his new book. Another was Tony Elliott, promoting his magazine *Time Out*, with never a mention of the marriage between Elliott and Janet Street Porter, one of the three presenters. What we need is some sort of TV gossip column to blow the gaff on such arrangements.

The show does involve one really good joke which is to employ as another of its presenters a man who has for years been using his column in The Observer to ridicule the personal characteristics and particularly the pronunciation of various presenters and hollow telly-personalities. Precisely why balding, double-chinned, paunchy Clive James should want to appear and read off autocue some other reporter's story is anybody's guess. . . .

Completely predictable, however, is the reaction in the homes of people such as Alan Weeks and Harry Carpenter who have taken so much stick for their verbal peculiarities, upon hearing the critic himself render the words charities, promoter and activity as charra-dees, pro-moder and activer-dee in a sub-Kissinger drawl.

The programme could still prove useful and even exciting if the producers took their courage in both hands and went for some of today's big sacred cows instead of the little sacred calves of the 60s; Private Eye and London Weekend themselves have exposed The Wicked World of Boxing so often that the story has paled and withered from too much light.

How much braver and better it would be to have a go at the sillier posings and paradoxes of the feminist movement, or the claim that all advertising is "honest and truthful" (expose the cost-per-packet of cornflakes loaded onto the consumer to pay for advertising) or even the misuses of union power. That'll be the day.

TV Eye turned out to be Thames Television's *This Week* with a new editor (Mike Townson from the BBC), a new title, and twice as much time as usual which meant that their normal tight and polished product had to be loosened up and fuzzed out with first-hand descriptions of people going up and down in lifts while making a test tube baby.

However, it did show what so many of us wanted to see: not the birth but the test tube, and it turned out to be nothing of the sort but a banal glass dish instead.

The opening episode of ITV's "New Series" *How The West Was Won* was about a young army deserter forced to leave his momma's farm and go on the run in the high country pursued by the provost marshal. That kind of "New." It starred James Arness as a tough frontiersman with a gun: the very role in which he is seen in the still from *Gun Law* which provides the frontispiece to Baily's 1957 TV annual.

Disraeli has been improving steadily throughout the 2½ hours that we have seen—not a particularly difficult achievement given that the four-part serial started out like a bad edition of those Classic Comics which used to condense whole Dickens novels into Superman-sized picture strip magazines. Episode 1 was mainly concerned with salon society, and the evidence on screen (never wholly reliable) suggested that neither writer David Butler nor director Claude Whatham was at all comfortable with the setting. But as politics and Parliament took over in last night's episode, so the whole production improved and began to lose its stiltedness.

The two quiz shows, *3, 2, 1* from Yorkshire TV and *Noel Edmonds' Lucky Numbers* from BBC 1, are "new" in the same way that each succeeding hand at bridge is new: the same old cards are dealt in a different combination. (That old annual features Nicholas Parsons dishing out money for answers to fatuous questions. In 1957 remember.)

Just one series—and perhaps one or two per season is all we should sensibly hope for—looks genuinely new and different: Yorkshire TV's *Secret Diaries*, early on Sunday evening, offers filmed dramatisations of old diaries kept not by the famous and the published but the unknown and unpublished and (as far as I could tell, switching on five minutes late) the very young.

Sir David Hunt, former ambassador, *Mastermind* winner, and now tellyperson spent most of Programme 1 introducing and offering tastes of goodies to come in the other three parts, and they do look tempting.

For the rest of the season (so far anyway, there is still more "new" material to come) a comparison of the content with that of Mr. Baily's annual suggests that plus ça change, plus c'est la même shows.

Festival Hall

Frank Sinatra

by ANTONY THORNCROFT

There was a prolonged ovation when Frank Sinatra strolled on to the Festival Hall stage on Monday night; there was only generous applause at the end. The audience probably realised that these days there is an unbridgeable gap between its expectations and what Sinatra can deliver. Even so he was there, and performing for 90 minutes too, which was enough for most of them.

It was more than enough for me. It was a curate's egg sort of evening, with snatches of the superb following hard on moments of the awful. For such a professional the variations were startling. After the traditionally up-tempo opening with *Night and Day*, which suggested that if the voice was shaky in the higher notes the phrasing and timing were still fine, there were some nasty moments when Sinatra took on the strings in Jim Webb's *Didn't We Girl* and George Harrison's *Something* and lost badly. This time even his experience failed to carry him through.

He was at his best in the vintage songs — the rousing *Nathan Detroit*; the schmaltzy *My Way*, which he performs just to keep the audience happy; and above all in a medley of sad songs. The lights dim and there is Sinatra killing a cigarette as he acts through *The girl who got away* and *It never entered my mind*. The breaking voice is fine for a broken heart.

He was at his worst in the newer material. There was one especially banal song which was only redeemed by the fact that Sinatra forgot the dreadful words. An Elton John-Bernie Taupin composition might be fine with a less fussy backing arrangement. A Peter Allen song was 50-50.

Now he has topped 60 Frank Sinatra is slowing down. He seems much more genial, taking time off in the middle of the show to crack a few weak jokes about Mr. Callaghan and Mrs. Thatcher as if to remind himself that he is in London and not in Vegas. He also slipped a glance at his watch. But he recovered enough to roar through *Chicago*, and then bowed out with a rather low key *Angel Eyes*. The audience expectantly waited for more, for some of those classics which accompanied every 1950s party. But there was no more, just a feeling of satisfaction mixed with self-doubt.

Jeannetta Cochrane

Much Ado About Nothing

The National Youth Theatre (of Great Britain, to give it its full title for probably the last time) has mounted a very pretty *Much Ado* on the little stage of the Jeannetta Cochrane and there is some pretty playing to go with it. The Beatrice and Benedick are already drama students. Beatrice is Kate Buffery, who has caught one's eye persistently for some time now. She is unlike the average Beatrice in being tall, pretty and dignified; her wit is the conversation of a deb in an Anthony Powell novel, not the salty jesting of a Women's Lib spinster.

James Simmons is different from the average Benedick, too, and in the same way. He is a very proper gentleman. When he is wearing his beard, his feathered hat and his gold lace cloak, he suggests some Spanish hidalgo by El Greco and even when he is clean-shaven and less elaborately dressed he is noble to the fingertips. In his case there is a disadvantage, for Benedick's wit ("I will go on the slightest errand now to the Antipodes rather than hold three words' conference with this harpy") is often barrack-room stuff and Mr. Simmon's courteous delivery mutes it a little.

Inevitably the scene they do best is their love-scene in the church after the spoiled wedding, with its bitter sequel. This is very good indeed.

Claudio and Hero are both naturally modest characters drawn out of their quietness by circumstances, and Martin Balcombe and Claire Toeman are both of them happiest when the emotions are lowest. The hat Claudio wears on his first appearance makes him look like a village idiot, but there's nothing in his performance to support such an idea. Hero needs to get the veil off her face quicker when revealing who she is at her second wedding, or the magic moment is lost. She is well attended by Margaret and Ursula: this is a specially good play for this company for the number and variety of the young women characters in it.

There is a likeably foolish Watch under Philip Dear's Dogberry. Mr. Dear is sometimes funnier than he knows, for he talks through his laughs.

The graceful set with its lines of arches is uncredited in the programme, and the costumes, too. These (doublet-and-hose type) are so rich that I imagine them to have been borrowed or hired from another company. The young people strut about in them as confidently as if they were T-shirts and jeans. The director is Paul Hill, more familiar as the company's general manager

B. A. YOUNG

Covent Garden

Das Rheingold

by DAVID MURRAY

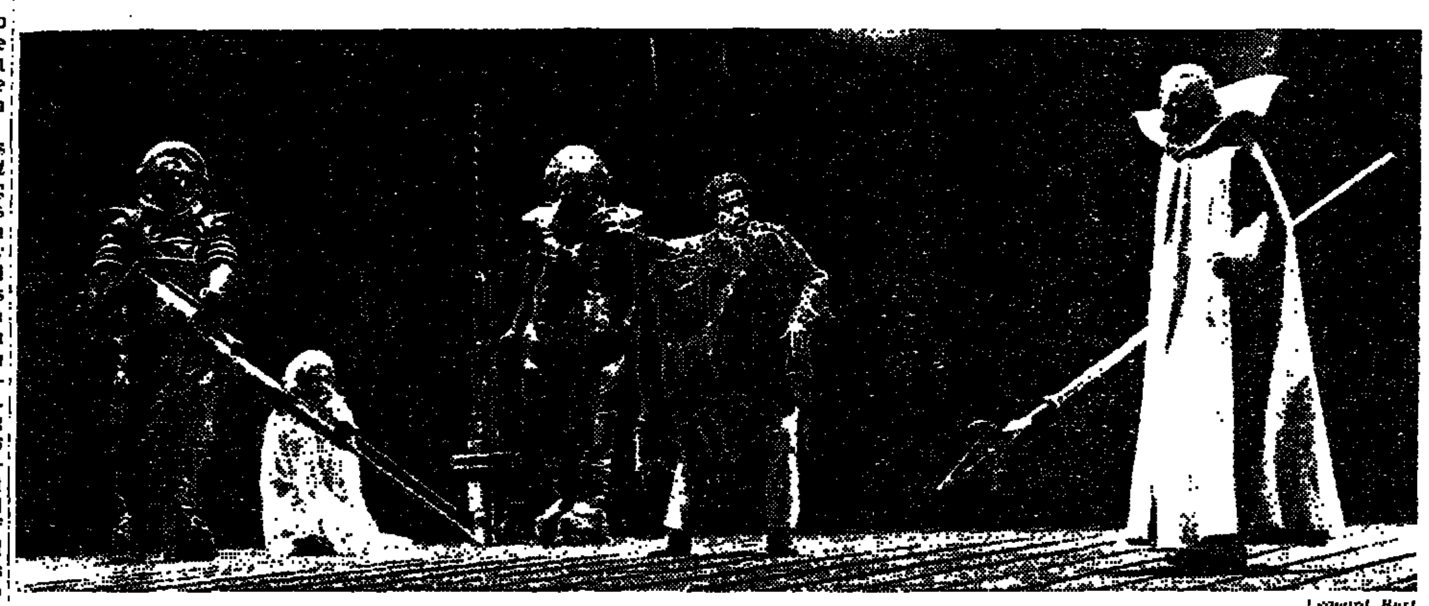
Wagner's *Ring* revolves again and so far it appears that Götz Friedrich's thought-provoking production has not been loaded with new barbs; any new thoughts will have to be manufactured by whomever it still provokes. The gods are still effete aristos—Robert Tear's ripe Froh is delicious, tottering anxiously back and forth on his high heels lugging gold bars—and the Nibelung brothers are still in minstrel (or maybe miners') blackface, with the fire-god Loge ruby-eyed and baleful in an old bedspread.

The triumph of the production remains the first confrontation between gods and giants, where the perverse sharpening of the characters gives the action a vicious bite. The giants are allowed their dignity, with Robert Lloyd's Fasolt sketching a small romantic tragedy, overborne by Matti Salminen's cristily authoritative Fafner. Instead of dignity the gods have refined manners, which is dramatically sufficient—the new Freia, Rachel Yakar, might be less docile when re-abducted, though she sounds appropriately flighty. Donner's *raison d'etre* is to call up thunder, which Hermann Becht does with too little respect for Wagner's note-values. George Shirley's grip on the disaffected Loge has tightened admirably; one misses a true tenor brightness after a time (and older Wagnerians may wish he were more candidly lyrical with his crypto-aria), but his impudently pointed declamation justifies Friedrich's conception of the role, something between Feste and Thersites.

Josephine Veasey's sterling Fricka and Patricia Payne's Erda—which is maturing splendidly, grandly phrased and alive with concern—stand apart from the rest, not being guyed. The Royal Opera has generally been fortunate in its Mimes, and Paul Crook is the vividly effective new incumbent. It is Friedrich's fault that one doesn't believe the scene in which he is thrashed by an invisible Alberich: Alberich is all too plainly immobilised in mid-stage. The Achilles' heel of the production is its apparatus; it is boring here to be addressed at great length by a glass pillar—which intermittently disgorges Alberich, but seldom enough that the exposition of the character is crippled.

This is, I fear, a serious matter. Alberich is the linchpin of *Rheingold*, Wotan's alter ego. Zoltan Kelemen's performance this time was offhand in any case, loudly self-congratulatory and musically negligent—and he is effectively blocked out of much of his principal scene. As he departs in the final scene he is only a smug monster swearing revenge; but surely he is a little man who has had an undreamed-of taste of power, and now can live for nothing else. (Friedrich's programme-remark that Alberich seeks to change the lot of the Nibelungs, to help them "strive upwards towards the light," is not for a moment to be taken seriously, nor does the production suggest such a thing.) Donald McIntyre, a seasoned Wotan, sounded bored, and "Abendlich strahlt der Sonne Auge. . ." was a mere shadow.

Colin Davis led a fairly mild performance. Alberich's music in the Rhine scene still sounds tame and careful, though the Rhinemaidens are fresh and charming. There was little majesty in the Valhalla strains, and the anvils (less overwhelming than they were) failed to articulate the Nibelung rhythm. The stately march at the end works well enough, and Friedrich's wicked echo of Georges Guetary climbing the Staircase to Paradise is a better joke than the old "Entry of the Gods into Vauxhall" one, with Fasolt's corpse looming at the side.



Leonard Burt

Matti Salminen, Rachel Yakar, Robert Lloyd, George Shirley and Donald McIntyre

Cottesloe

Lark Rise

by MICHAEL COVENEY

The National Theatre's stroll through the first volume of Flora Thompson's *Lark Rise to Candleford trilogy*—that most beautiful and elegantly unostentatious chronicle of vanished life in a North Oxfordshire village of the 1880s—has been revived with all due care and affection. Without ever forcing the pace, directors Bill Bryden and Sebastian Graham-Jones, uncover a detailed and colourful mosaic of village rite, custom and gossip against a backcloth of muscular folk rock music from the Albion Band, equipped with electric guitars and keyboard, accordian and percussion.

All seating, except at the higher levels, has been removed and, down below, you may be jostled by young Laura and her young brother, Edmund, scampering through the dewy morning in search of mushrooms, or by the shining avuncular figure of Brian Glover as a barrow boy offering bloaters, oranges and the (then) unfashionable tomatoes. From above, you can enjoy the patterns of men striding afield, scything a resolutely choreographed progress through smiling customers, or forming a circle to run through the songs of the day, led by that talented graduate of Steeleye Span, Martin Carthy, one hand cupped over an ear while giving robust decoration to a plaintively melodic line.

At one end, William Dudley has designed an evocative golden curtain to suggest the limitless acres of cornfields while, at the other, he gives us a charming parlour interior for the home of Laura's family — scrubbed furniture, heavy black stove and all. It matters not at all that a stray member of the audience might find himself (as on the first night) stranded on the table as, at his feet, the gossips gather over their needlework to exchange scandals and watch the world go by.

Mark McManus is now alternating with James Grant in the part of Laura's father; Dave King has stepped in to play old Major Sharman, gently removed from his roots to an institutional end, and the Rector who presides over the sad, concluding service for war victims (who were to include Laura's little Edmund); and the children themselves, charmingly played by Valerie Whittington and Paul Davies, are also new. In an otherwise stable company, Jack Shepherd is lazily effective as Boamer and Tamara Hinchco now shares several roles with Dinah Stabb.

It all amounts to a gentle, often sleepy, sort of entertainment, played without an interval and certain not to upset admirers of the original work. What you lose on the swings of Miss Thompson's wisely ironic narrative style you gain on the roundabouts of pictorial juxtapositions and overall mood.

Librarians in conference

Eight-hundred librarians from home and overseas are meeting in the Library Association's Brighton Conference this week until Thursday. About 100 publishers, bookbinders and library equipment manufacturers will be showing their wares while the delegates thrash out the problem of providing the world's leading library service; of staff training; and of meeting the nation's information needs.

Guest Speaker at the conference dinner last night was Kingsley Amis.

Round House/Radio 3

Nash Ensemble

by DOMINIC GILL

Monday night's Prom was divided not only by genres, as Sunday's had been, but also by place—between St. Augustine's, Kilburn, where the BBC Singers under John Poole gave a programme of 17th-century vocal music, and the Round House over the hill, where the Nash Ensemble under Lionel Friend gave a late-evening concert of works by Ravel, Stravinsky and Schoenberg.

After a happy, but a little less than zippy, account of Stravinsky's *Ragtime* the Nash warmed quickly to their music: we heard a splendid Stravinsky Octet, light and luminous, beautifully detailed, every thread precisely aligned; and an exceptional *Introduction and Allegro* of Ravel, eloquently voiced by their harpist Skaila Kanga, warm and deep-grained of timbre, vigorous in rhythm, delivered with fine panache.

They were polished accompanists too for Ravel's *Trois poèmes de Stéphane Mallarmé*, sung by the American soprano Phyllis Bryn-Julson—only in "Soupir" was she a shade nervous at the end of her breaths (frighteningly exposed line to start and sustain from cold). Otherwise she was perfectly poised in her smooth phrasing and cool instrumental timbre. She and the Nash together ended the evening with Schoenberg's *Pierrot Lunaire*: a virtuoso performance, worked with the greatest sense and care, lacking only in one dimension—the wildness of *Pierrot*, the brilliant clash and colour, the depth of light and shade.

U.S. envoy to inaugurate lecture series

Sotheby's, through the Associates of the Victoria and Albert Museum, the new charitable trust fund, are to sponsor an annual lecture on a theme binding American and British cultures.

The series will be inaugurated by the American Ambassador, Mr. Kingman Brewster, on Wednesday, October 25, at 7 p.m. in the Lecture Theatre of the Victoria and Albert Museum.

It will be chaired by Dr. Roy Strong, Director of the museum.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897

Telephone: 01-248 8000

Wednesday September 13 1978

Putting it to the people

SLOWLY but surely the use of the referendum is becoming part of our political way of life. Apart from that on British membership of the European Community in 1975, there has been the Northern Ireland Border Poll and there are those on the proposed Scottish and Welsh Assemblies to come. Indeed if one looks back far enough it can be seen that the demand for such a procedure is not new. Balfour, Baldwin and Churchill all called for a referendum to be held on particular issues and there is nothing to identify the idea solely with the Conservative Party: the call for the referendum on Europe came overwhelmingly from the Left.

House of Lords

It is also the case that referendums need not be confined to national questions. The vote on Sunday drinking in Wales is an excellent example. It gave the people the opportunity to say what they wanted—on a county by county basis—on a subject that had previously been dominated by powerful, but minority interests. There have been other scattered cases throughout the country right down to the parish pump level.

The document published by the Conservative Research Department yesterday, while in no way committing the Party, is an attempt to develop a coherent approach to a practice that has previously been used in an *ad hoc* manner. Its main recommendations are that there should be a Constitution (Fundamental Provisions) Act which would provide for a referendum before any fundamental change is made to the constitution, that a section of the Act should also provide for referendums on non-constitutional matters on the condition that the initiative comes from the Government and is approved by both Houses of Parliament, and that a Referendum Commission should be set up to establish procedures.

It is admitted that a primary aim is to protect the Second Chamber, the abolition of which was demanded by the last Labour Party Conference. There is a problem here in that if the Labour Party wins the next election it could, if it wished, seek to go ahead with abolition without any further consultation of the electorate, though perhaps a loud enough call for a referendum would itself act as a brake. But there is an additional problem in that except among the die-hards of the Left and Right retention or abolition of the present House of Lords is not the real issue. The difficult question is how to introduce a reformed Second Chamber and it is hard to see how that could be put in a referendum. Nevertheless, the fact that a government could simply sweep away the Second Chamber altogether is cause for concern and underlines the case for more constitutional safeguards.

It is also true that under the present system a government can introduce a referendum on any subject whatsoever provided that it has Parliamentary backing. In that sense government needs no new powers. But if the practice is growing, the procedures could at least be clarified. That is the case for the proposed independent Referendum / Commission. In order to avoid any suggestion of rigging, it would draft the question and supervise the campaign, including such matters as the allocation of broadcasting time and perhaps the financing.

Local issues

As for the issues that might be put to the country, apart from the strictly constitutional, the report is rightly sceptical about Mrs. Thatcher's one-time suggestion of a referendum in the event of a major confrontation between government and trades unions. It would be hard to organise at short notice and exceedingly difficult to say precisely what the issue was. It is also against asking the people to decide on such matters as capital punishment, though again it has to be said that there is nothing to stop Parliament doing that if it wants to. Where the report is weak is in not pushing the case for more local referendums, on specifically local issues. That is where the real opportunity lies for giving the people more choice. Still, as a basis for discussion, the document should at least help to concentrate the mind.

The defensive mentality

BY COINCIDENCE, two documents appear today stressing the traditional merits of free competition and trade: a lobbying manifesto from the National Consumer Council, and a thoughtful essay from the staff of the General Agreement on Tariffs and Trade. However, although both bodies seek broadly the same ends, they present very different ideas of why it is necessary to preach these well-established virtues, and why there is so much tendency to backslide at the moment. The NCC sees the issue as a power struggle: GATT attempts to analyse an international neurosis.

Prescription

The idea that producers, both employers and labour, have recently become too influential with governments is plausible, and it is clearly useful for consumers to lobby with equal vigour. In this sense pressure from the NCC is welcome—though it might be more effective if it was focused more narrowly on consumer interest, rather than being diffused through a lengthy economic manifesto. On the other hand, it is clear that the lack of a consumer voice in economic policy in the past has little to do with our current problems. Until recently, the whole trend has been towards freer trade, fiercer competition, and greater regard for consumer interests. The NCC offers prescription, but little diagnosis.

The GATT secretariat has been in the game rather longer, and knows that simple calls to virtue are of little consequence. Every politician will express agreement with the principle, as he flies from negotiating trade restraint in Tokyo to listen to Dutch objection to competition in the European aircraft market in Brussels, pausing only to impose quota restrictions on cheap shoes and textiles. These pressures arise not from conspiracy but from fear. Competition has not become unfashionable, but frightening, and the cause is recession.

The GATT paper concerns itself with the roots of the economic phobias which provoke such behaviour, and tries to show that the reaction is irrational, and will make the problem worse. It argues at bottom that the need for adjustment to change has in recent years outpaced the ability of political and economic systems to adjust. The protectionist cry is, at bottom, "Stop the world. I want to get off."

Changing demand patterns and threatening shortages express themselves first as large movements in relative prices; and when these adjustments are resisted, in general inflation. This itself increases uncertainty, discourages investment and provokes recession: yet adaptation to change requires higher, not lower investment. A retreat into protectionism only compounds the problem. Investment is further discouraged by the fear of being cut off from foreign markets; the countries which suffer restriction—notably the emerging industrial powers among the developing countries—are forced to cut their own imports. Attempts to escape the consequences of recession only prolong it.

Courage

The problem may prove to be transitional, as GATT optimistically argues. Change proceeds despite our stoutest efforts to resist it: in the UK at the moment, for example, the fact that both exports and imports are growing far faster than output suggests that the efficient are gaining at the expense of the inefficient — a process largely caused by international trade.

All the same, it is clear that the crisis will end far sooner if Governments remember that their policies must aim to make economies more adaptable and responsive. They must promote change, though perhaps softening its impact, rather than resisting it. Here the Japanese, the victims of so much protectionist sentiment, are showing the way, actually running down shipbuilding and other outdated capacity almost as fast as it grew.

This is not because they have vocal consumer lobbies, but because they have the courage born of past success. Courage, sooner or later, is what it will take.

Rhodesia: running out of time and options

BY MARTIN DICKSON and QUENTIN PEEL

RHODESIA may be near a dreadful abyss, at the bottom of which could lie all-out civil war and anarchy, but the white minority continues to observe its ceremonials with punctilious correctness.

For what was almost certainly the last time, the Union Jack was raised yesterday over Cecil Square, Salisbury, to commemorate the arrival on September 12, 1890, of the first British pioneer column at the site of the Rhodesian capital. The ladies wore hats for the ceremony, the men uniforms or suits and trilbies.

The last of the official party to arrive for the ceremony was Mr. Ian Smith, the Prime Minister, who was greeted with a spontaneous burst of applause.

White outrage was sparked by the shooting down of an Air Rhodesia Viscount (left) and the subsequent massacre by guerrillas of most of the survivors. Hans Hensen and his wife (right) lived to tell the tale.

Demonstration of loyalty

For Mr. Smith, this was a much-needed demonstration of continuing white loyalty, albeit on a patriotic occasion. For the aura of invincibility, and of stature beyond criticism, which had surrounded him in the past has been fading rapidly in recent months.

On Sunday, he delivered an extraordinarily incept television broadcast which unleashed a flood of criticism and pent-up frustration from whites desperately seeking some alternative to the steadily escalating guerrilla war.

Mr. Smith had promised that his broadcast—made in the wake of the shooting down of an Air Rhodesia Viscount and the massacre of survivors of the crash—would reveal some radical new departure in policy. In fact, it showed as graphically as any recent event the lack of room for manoeuvre he now has in his struggle to preserve some modicum of white control, or at least influence, in a future Zimbabwe.

At the same time, the opportunities for an internationally negotiated settlement seem to be decreasing steadily. As the war continues, the violence appears to gather its own momentum. The more the gurrillas of the Patriotic Front, led by Mr. Joshua Nkomo and Mr. Robert Mugabe, see the Salisbury administration on the run, the less is the incentive for them to come to the conference table.

Perhaps the most positive sign—although it may be little more than clutching at straws—is Mr. Smith's secret meeting in Zambia last month with Mr. Nkomo. Whatever Mr. Smith's motives, and it is reasonable to assume that he hoped to split the Patriotic Front, this meeting was at least tacit acknowledgement by the Prime Minister that his "internal" settlement has failed.

The agreement Mr. Smith signed last March with three internal nationalist leaders—Bishop Abel Muzorewa, the Rev. Ndabaningi Sithole and Chief Jeremiah Chirau—has not stopped the fighting and has not been seen to bring real progress towards majority rule.

The war has escalated sharply: one third of all deaths since the fighting flared up in December, 1972, have occurred since the start of 1978—over 3,300 fatalities out of more than 10,000 in all. Before the signing of the internal agreement, the average daily death toll was eight. For the past month it has been running at nearly 30 a day.

But probably the biggest blow to the credibility of the internal settlement, at least among blacks, is the abandonment of December 31 this year as the date when power is to be transferred to the African majority.

The December deadline had been presented, particularly by Bishop Muzorewa, as the single most important achievement of the March agreement, yet he sat silent and impassive in Parliament when it was announced last week that the date could no longer be met.

The possibility of the programme of the transitional government being met at all, whatever the timetable, is looking increasingly slim. Although a constitution is said to be already in draft form, it has to be approved by a white referendum. Organisers of Mr. Smith's own Rhodesian Front party are already warning that the response to that referendum could be no. Even if it were favourable, it is now widely accepted in Government circles that a one-man, one-vote election cannot be held unless there is a significant de-escalation of the war. Mr. Smith has himself declared that an election cannot be held regardless of circumstances.

While this demonstrates the way in which Mr. Smith's political options have been narrowed, his broadcast on Sunday demonstrates the limits on his military options.

A dose of martial law

What he announced was little more than a modification of existing policy. It included a dose of martial law, which already effectively exists in considerable areas of the country, combined with threats of drastic action against the internal political representatives of the guerrilla forces, some of whose members have since been detained. The Prime Minister rejected full-scale mobilisation or total martial law, admitting that the drawbacks would far outweigh the benefits.

In particular, any further mobilisation would severely cripple the economy, already seriously hit by a call-up which keeps white males up to the age of 38 under arms for six months a year, and those up to the age of 50 on active service for at least two months in 12.

Such a move may well have precipitated an even faster exodus of whites, which has risen from an average net monthly loss of 520 in the first three months of this year, to a net 1,111 in July.

As for martial law, there would be little point in such a declaration if the military did not have enough men to police it. Hence, "with typical Rhodesian ingenuity," as Mr. Smith tried to excuse it, the proposal is for a "modification" of martial law, to be imposed in selected areas. Those areas, it is expected, will be the ones where civilian rule by district commissioners had already virtually ceased to exist—which includes some of the tribal trust lands close to Mozambique in the east, such as Natibi, where guerrillas of Mr. Mugabe's ZANU wing of the Patriotic Front alliance are strongest, and areas in the south-west, around Plumtree, heavily infiltrated by guerrillas belonging to Mr. Nkomo's Zapu wing.

Against this gloomy background, Mr. Smith has had to keep his options open, rather than pander to the white desire for swift revenge against Mr. Nkomo for his claim to have shot down the Viscount.

Indeed, Mr. Smith has refused to rule out further contacts with Mr. Nkomo on the lines of the talks held last month in Lusaka.

However, the Lusaka meeting stirred up so many passions that it seems unlikely that Mr. Nkomo and Mr. Smith will meet again in the immediate future. From Mr. Smith's viewpoint, this would be extremely difficult to do in the face of white fury against the Zapu leader. Mr. Nkomo faces his own problems. The Lusaka meeting reinforced the strong mutual suspicions that divide Mr. Nkomo from his co-leader in the Patriotic Front, Mr. Mugabe, who has always feared that Mr. Nkomo may be prepared to quit the umbrella alliance and do his own deal with Mr. Smith.

The meeting has also divided the African front-line states which provide the Patriotic Front with their main support. Zambia (and apparently Botswana and Angola) approve of the Smith-Nkomo meeting, while Tanzania and Mozambique support Mr. Mugabe in his strong disapproval.

Considerable mystery still surrounds the Smith-Nkomo meeting. Amid conflicting claims and counter-claims it is not clear who provided the initiative for the meeting, nor precisely what each side offered the other.

Mr. Smith apparently tried to woo Mr. Nkomo back to Salisbury, reportedly by offering him the leadership of the interim Government. Mr. Nkomo is the man whom Britain, the U.S., South Africa and the Soviet Union would, each for its own reasons, like to see at the head of an independent Zimbabwe. But breaking up the Patriotic Front and involving Mr. Nkomo in a settlement to the exclusion of Mr. Mugabe would not end the fighting. Mr. Mugabe has a large army in Mozambique and to leave this out of the equation would provide yet another formula for civil war.

No signs of compromise

Mr. Nkomo's response to Mr. Smith's approaches is equally unclear, although there is evidence to suggest that he told the Rhodesian leader he was not prepared to do a deal which excluded Mr. Mugabe, who, until now, has been anathema to the Salisbury Government.

Whatever the truth, there are no signs of Mr. Mugabe contemplating any compromise in his demands for a total capitulation by the Smith regime, a[…] this could stymie any futu[…] negotiations between Mr. Sm[…] and the Patriotic Front.

Certainly, there can be li[…] hope of any such talks until t[…] dust stirred up by the Smi[…] Nkomo meeting has settled. […] long as the Patriotic Front a[…] the Front line states are […] seriously divided, there can […] virtually no progress either […] secret negotiations or in t[…] more public Anglo-Americ[…] inititiative.

The Smith-Nkomo talks a[…] the Anglo-American initiat[…] now seem increasingly like t[…] sides of the same diploma[…] offensive. There is a wi[…] spread belief that Britain, […] it did not actually set up […] Lusaka meeting, at least gav[…] encouragement in the hope t[…] this would somehow break […] deadlock that has existed e[…] since the Anglo-Ameri[…] settlement proposals were […] veiled a year ago.

Britain's declared aim is […] all-party constitutional con[…] ence on Rhodesia. But […] months now it has failed […] achieve any perceptible p[…] gress towards this, lar[…] because of opposition from […] black nationalists in Salisbu[…] Even if a conference were […] be held, the widespread ex[…] tation is that it would br[…] up in disarray in much […] same way as did the ill-f[…] Geneva conference of 1976.

Recently, therefore, th[…] appears to have been a cha[…] of Anglo-American tactics, […] an all-party conference be[…] seen more as a forum to put […] finishing touches to the fra[…] work of a settlement alre[…] worked out in secret nego[…] tions.

This is a difficult and […] gerous strategy—as illustra[…] by the current divisions wi[…] the Front-line states—but […] does recognise the central […] that if there is to be any n[…] tiated solution, there must […] face-to-face talks between […] internal and external prota[…] ists—and preferably not i[…] forum where they will […] obliged to strike hardline pu[…] attitudes.

During any secret bargain[…] some significant modificat[…] might have to be made to […] Anglo-American proposals […] the transition to majority r[…] It is not inconceivable, […] example, that an attempt m[…] be made to postpone the […] posed pre-independence e[…] tions if this was felt neces[…] for national unity.

Until the rifts within […] Front-Line states and Patri[…] Front have been at l[…] papered over, it is difficul[…] see any new Anglo-Amer[…] initiative making any prog[…] . Yet with the white exo[…] from Rhodesia increasing […] the threat of countrywide c[…] growing ever more real, i[…] is the last thing that Bri[…] and the U.S. have on their […]

MEN AND MATTERS

Trying to sort it out

A reader who travelled the other night on a late train from Liverpool Street to Harlow was astonished to learn that the mail bags hurled out on to the platform were destined for Surrey. Surrey, it struck him, was in the other direction. But the Post Office assures me that such apparent illogicalities are quite possible: "This is the sort of thing that can arise at the moment. Some of the sorting is being farmed out to wherever there is spare capacity."

However, such ploys cannot disguise the shortage of postmen which is at the root of these problems, with the whole situation aggravated by sorting machines left unrepaired during the engineers' strike.

In central London it is now taking up to a week for a second-class letter to reach its destination. Even the P.O. admits to "three working days" delay for such letters, and "five working days"—in other words a week—for airmail letters and letters from Europe. The hold-ups are having a "knock-on" effect on the rest of the country.

Why the shortage of staff in these days of unemployment? "It would be true to say that wages are not perhaps as attractive as they might be," a P.O. spokesman tells me. They are particularly unappealing in central London, he says. The average weekly London pay of about £95 is £19 higher than in the provinces, but the difference does not appear to be considered adequate compensation for extra travelling and inconvenient hours.

The P.O. did have some good news: a 9p stamped letter is still "likely to effect delivery" on the next day, as the critics suggested when the two-tier system was introduced, what two tiers mean is the same system as before, just more expensive.

"Typical, instead of passing bills they want to pass the buck!"

Knowing the score

Helping to oust the Somalis has won Fidel Castro some warmth from the Ethiopians. But he sorely tried the patience of 100,000 of them who gathered yesterday to fete him and the fourth anniversary of the Ethiopian revolution.

Our man on the spot reports that by 10 am, when the ceremonies began two hours late, Castro's plane had still not arrived from Havana. A further two hours later, when the Ethiopian leader, Colonel Mengistu Haile Mariam, finally finished his oration, there was still no sign of Castro. The official reception committee finally dashed off to the airport and returned 40 rainy minutes later with the Cuban leader.

Sporting his customary battledress and waving his cigar, he mounted the podium to shouts of Viva Fidel, and, later, an African rendering of Guantanamara, the Latin American equivalent of Greensleeves.

Only then could the marchers, gymnasts, dancers, and floats lined up since dawn start. The jamboree continued till dusk when the participants were allowed a respite for food and drink. Spectators on the official stand had an equally abstemious day. Only the British ambassador, Derek Day, had weathered enough such occasions to bring along a large tin of biscuits, which he thoughtfully handed to fellow-diplomats on the podium.

Years ahead

Having a press conference on a boat has the distinct advantage of a captive audience, and Philips was looking forward to a smooth launch for its P5002 word processor aboard the Silver Barracuda yesterday. But floating conferences have disadvantages too. When the vessel cast off from Tower Pier drawbacks began to show themselves. Trains, for instance, rumbled across bridges at inopportune moments as the forefront of technology was extolled to the world's Press. And sadly, the slide projector also failed to live up to the required standard. "We don't make slide projectors," the loyal Philips slide operative remarked into the darkness, as pictures of the revolutionary P5002 appeared on the screen, fascinating, of course, but upside down.

Echoes of the past

MPs advocating the televising of Parliament here might be discouraged by the experience of insomniac Spanish viewers, who have just been treated to a late-night broadcast of an anti-terrorism debate. It was considered appropriate that the populace should hear their elected representatives viva voce, and one after the other the spokesmen for the different parties rose to vie with each other in vehemently condemning terrorism.

Displaced lobby correspondents drew some consolation about their collective future from the performance of the elected representatives. The Communist spokesman, for instance, was well into his stride and building up to a Wagnerian finale when Freudian-style disaster struck: "As everyone knows," he intoned, "the Spanish Communist Party has always been in the front line in the battle against Communis . . . . excuse me, terrorism."

Worse was to come. He was followed by the spokesman for the governing Union of the Democratic Centre, many of whose members are seen as late converts to democracy, even by Spain's more tolerant standards. The new anti-terrorist measures, said the Union's spokesman, "would curb the activities of the parliamentary groups . . ."

Luckily for this parliamentarian none of his colleagues seem to have noticed the error, and he pressed on without his train of thought being lifted back on to the rails.

All this was lively stuff indeed compared with Spanish television's usual dire coverage of its new-found political life. Under Franco the state media would never criticise the regime; today too the opposition complains of its activities being deluged by the welter of government news.

If that is one lingering legacy of yesterday, there is a potentially more colourful one. In the 1930s the Nationalists were quick to confiscate the newspapers of their routed opponents. Now the government should eventually return some 40 of these papers to parties such as the Anarchists. Which, even more than the recent blushes of Parliament, would add some spice to the lives of those weary of the official line.

Observer

[جلها من الأصل

Nicholas Colchester reports on the growing competition in electronic aids to financial dealings.

The news agency battle for the market place

ISCERNING reader of the ness Press may this year , noticed some unobtrusive lopments in the news icy business. Reuters of ain cancelled its news ing agreement with VWD Jermany, and was replaced AP-DJ of the U.S. VWD ed an agreement with Tele- of Zurich. Reuters renewed eal with GTEIS in the U.S. se developments were nounced in a bald manner, the reader could have been used for moving on.

et behind these reports lies start of a market battle that d develop the same flavour he railway rivalries of Vic- an times. Led by Reuters, s agencies are making a bid become the financial market e of Europe. Once, such ncies merely brought the s to the financial markets. er, they carried news of the ket within the market and to outside world. Now they are ed to become the market. medium is bidding to be message.

n the middle of next year a ll number of the banks which scribe to the Reuters "moni- " system will be able to use TV-like terminal of this em to arrange deals in the eign exchange and money kets. Until now the Monitor em has been limited to con- ing market information—it been the electronic notice- rd on which the dealers have ted their prices. The new elopment means that instead having to reach for their tele- nes to arrange a deal, the lers will be able to com- nicate privately from Monitor een to Monitor screen.

euters has had to overcome nerous obstacles to get this facility accepted. Banks e been relucant to move on n their well established way rading. The telephone and telegraph companies of Europe have needed financial incentive to accept a competitor to their lucrative business with the foreign exchange markets. But Mr. Michael Nelson, the general manager of Reuters, believes that he is "over the hump." Reuters now has 50 committed subscribers to its trading Monitor, providing at least a beachhead in each of Europe's main financial centres. This should suffice for the innovation to thrive or to fail on its merits.

The venture is the next step in a rapid evolution of Reuters. which has left its traditional news agency business as little more than a sideline. Reuters Economic Services now contribute 85 per cent of total Reuters revenues which should be between £60m and £70m in 1978. The larger part of that revenue, and almost all the growth, comes from customers with electronic information displays rather than tickertapes.

It was the introduction of the first Reuters' electronic display, the Ultronic, in 1964 that revolutionised Reuters' business, for it allowed the customer to choose the information he wanted rather than wait for it to come up on a tape—it was, in short, an "information retrieval system." Nine years later Reuters introduced the Monitor. This gave each customer a computer rather than a passive terminal and it allowed him to insert his own price quotations into the system as easily as he could extract the quotations of others.

In taking these strides Reuters showed a readiness to innovate and to exploit emerging technology that was remarkable in a field traditionally more concerned with the art of journalism than with the science of conveying its scoops to the public. In fact Reuters outstripped the original suppliers of its U.S. technology —Ultronic (now GTE.) It switched allegiance for its hardware to Digital Equipment Corporation, and yet maintained its vital and exclusive link with GTE Information Systems, the source of much of Monitor's American data.

With 2,400 subscribers to Monitor in all parts of the world, Reuters has developed a large market lead, but its success has not gone unobserved by would-be competitors. One problem for Reuters in Europe is the emergence of competition in the form of market co-operatives: groups of banks, or other market makers, which have decided to set up their own market information and trading systems to keep the revenues from such systems "in house."

Competition

Reuters conforms to the American pattern where independent operators like Bunker Ramo, Quotron, Telerate and GTEIS compete, providing the information systems for some markets, tapping the electronic data banks of others like the New York Stock Exchange, and vying with one another to bring all this information onto the desks of business customers. But co-operatives could be difficult competition because of their ability to restrict the allegiance of banks or dealers to a particular system.

The toughest challenge to Reuters so far comes from Telekurs, a Zurich-based operation owned by the Swiss banks. Telekurs has lately expanded rapidly in a manner characteristic of this largely "invisible" business. Until the late 1960s it was a very small stock exchange information service. Then the Swiss banks, perturbed by the impact Reuters was having with its Ultronic system, put some ginger into Telekurs. In 1974 Telekurs computerised itself to provide "investdata", the beginnings of its challenge to Monitor. Last year it hooked up with Bunker Ramo to provide the all-important U.S. data.

Telekurs is now busy spinning itself a web of connections with local data systems across Europe. It is negotiating with the London Stock Exchange's Epic system, also with Extel and with Datastream, to provide itself with London input. It has joined forces with VWD, the German news agency, for its German expansion. It is in talks with Eurex, a major venture of the co-operative type which will provide an electronic market place for trading international bonds. Its emphasis has been slightly different to that of Reuters in that it is strongest in the background data on securities which the "back-offices" need to cope with securities paper work, but it is now concentrating on challenging Reuters with up-to-the-minute data.

Armed with Telekurs, their own pet information system, and proud of their highly developed abilities in the foreign exchange markets, the big Swiss banks have proved tough nuts for Reuters to crack. Yet precisely because of their influence in the money and foreign exchange markets their patronage is an important ingredient for Reuters' success. So far, Reuters has managed to hold the allegiance of the Swiss banks by clever pricing strategy but, above all, by the speed and spread of information that still only Reuters can offer.

It is probably no coincidence that Switzerland is the first country where Reuters is pushing its "one terminal concept" whereby most of the information that Reuters can provide is available on a single machine. As Telekurs chips away at this or that part of Reuters' spread of information, it is a classic marketing response to "bundle" —to offer the client who must have one of your services (in this case foreign exchange and money market data) the whole spectrum of services for only a little more than the cost of the one he is interested in.

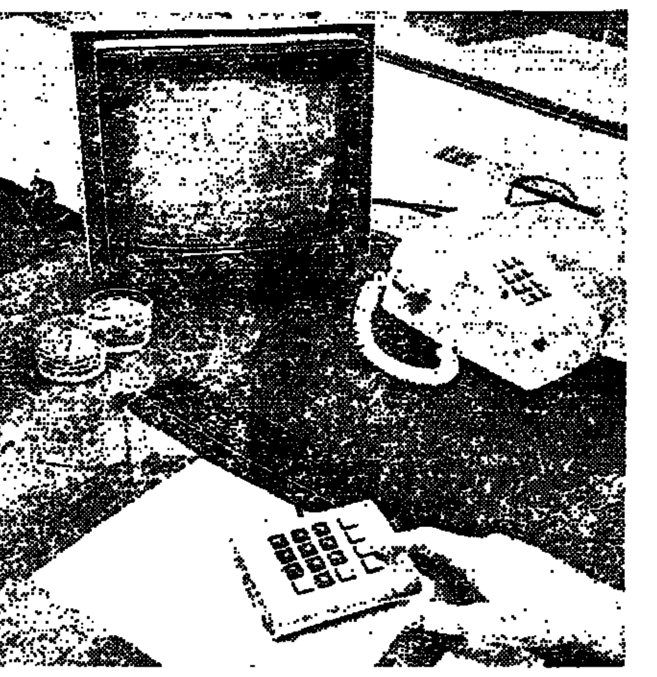
Reuters' advantage over Telekurs in providing speedy news is the result of 100 years of scoop-mindedness. The challenge on this front is still at the fledgling stage and comes from AP-Dow Jones, the business news agency that was set up in 1967 to sell Dow Jones' wire services abroad. Frank Hawkins, its business manager and administrative director in London, explains that about four years ago "it became obvious that Reuters was making a killing with electronic retrieval services to banks and brokerage houses."

Since then AP-Dow Jones has been gearing itself up to become Avis to Reuters' Hertz. But because neither of its two American wire service parents, Associated Press and Dow Jones, has had Reuter's electronic initiative, it has a long way to go. Until now AP-DJ has concentrated, with some success, on challenging the Reuters' economic wire service. But in the meantime it has joined forces with Telerate, an American equivalent to Monitor which has a dominant position with 1,500 customers in the U.S. money and foreign exchange markets.

AP-DJ is trying to expand the Telerate system into Europe. It now has the hardware to tackle the daunting task of rivalling the Reuter Monitor system in the London foreign exchange and money market. AP-DJ will beaver away at the Reuters stronghold on the basis of price and on the strength of a developing reputation for fast financial news. Its job is not made any easier by the British Post Office, which takes months to install the lines needed to link each new terminal to the AP-DJ computer.

At the same time the American agency must chip away at the formidable network of local agencies and information systems with which Reuters has forged links around the world. One example of this was the recent changing of the guard at VWD, in Germany. Reuters (which actually owns one-third of the German agency) cut its editorial ties with VWD partly because VWD wanted a slice of the action in the German information retrieval market. While Reuters continues alone in Germany, AP-DJ has done a deal with VWD, which in turn, has done a deal with Telekurs. The stage is therefore set for a link up between Telekurs (with Bunker Ramo) and AP-DJ (with Telerate), which could, in theory, provide quite a challenge to Reuter's leadership.

As the competition forms up behind it, Reuters is re-inforcing its leadership with yet more technological innovation — the trading system already described. This step requires more in the way of marketing judgment and powers of business persuasion than electronic wizardry. The electronic possibilities for financial markets already appear to be far in advance of what the financiers will accept. In this country the lack of response to the Ariel electronic stock trading system showed the unwillingness of the institutions to abandon their



The Reuters Monitor in use in a New York office.

stock brokers. In America the Securities and Exchange Commission suffers from an almost nightmarish profusion of technological possibilities in trying to decide what the U.S. Central Market for securities should look like.

It is indicative that Reuters executives tend to describe their new trading system as a small convenience rather than as a breakthrough. They eschew all discussion of the notional Mark II trading system, which would accept orders from the bank for the sale of certain currencies and then seek out and transact appropriate trades automatically. They insist that their new technology will lead to an increase in contact between traders—for the benefit of dealers who like such contact and of the telephone companies which get paid for it.

Although they must move cautiously, news agencies have a strong suit to become the financial markets of Europe. They can present on one screen three, and possibly four, of the five aids that a dealer needs to trade. He needs to know prices. He needs to know the latest news. He needs to be able to converse swiftly with another dealer. The Monitor will put all three facilities at his finger tips. He needs to know his own trading position —*and Reuters is working on that one.*

The fifth thing the dealer needs is explanation, opinion, context, and advice to make sense of this overwhelming flow of instant information. Here, it seems, remains a job for the rest of us.

Letters to the Editor

[T]hem and us [m]entality

[Fro]m Mr. P. C. Dean

[S]ir,—The article by Jeremy [...]ld (Management Page, Sep[tem]ber 5) concerning the [Jap]anese approach to worker-[ma]nager relationships might [hav]e prompted many readers to [fee]l that "it might work in [Jap]an, but not here."

[Y]et the philosophy discussed [has] been propounded for many [yea]rs. Douglas McGregor, in his [boo]k "The Human Side of [Ent]erprise," has analysed in [som]e detail, an alternative [(th]eory y) approach to company [ma]nagement which goes far [bey]ond the traditional (theory x) ["th]em and us" mentality which [stil]l prevails today. The fact [tha]t his book was published 18 [yea]rs ago is a sad reflection on [Bri]tish companies' inability to [res]tructure its conception of the [em]ployee's role in business [org]anisations.

[T]he availability and relevance [of] such texts does not appear to [hav]e been overlooked by the [Jap]anese.

[P.] C. Dean.
[...] Turners Road,
[...]ton, Bedfordshire.

[P]ayment by [r]esults

[Fr]om Mr. W. Grey

[S]ir,—Following up Mr. F. R. [Wi]lliams's proposal (September [...]) that more companies should [ope]rate "efficient," not "phoney," [pay]ment by results schemes, and [res]tore "proper" differentials be[tw]een skilled and unskilled [ma]nual (but why not also non-[ma]nual?) workers, in order to [rel]ate pay more closely to pro[du]ctivity, may I suggest that they [als]o, with the same object in [mi]nd, turn their workers [wh]erever possible (and in most [cas]es it will be) into share[hol]ders?

[I]n return for the yearly, half-[ye]arly, quarterly or whatever [div]idend they collect in addition, [ho]wever, the workers thus [be]nefited would have to agree, [fir]st to accept a cut in their [ex]isting pay (which they would [rig]htly be entitled to resist), but [u]nless they wish to kill the [go]ose that lays the golden eggs) [to] scale down their future pay [de]mands accordingly and, along [wi]th other shareholders, to earn [a] *variable proportion of their* [an]nual income out of their com[pa]ny's surplus.

[W.] Grey.
[...] Arden Road,
[F]inchley, N3

Telephone manners

[F]rom Mr. D. C. Wilkins

Sir,—I am pleased that Mr. [G]riffiths raised the matter of [te]lephone manners through your [co]lumns (September 9). The [a]mount of time we must all waste [w]aiting for the caller along the [ch]ain of "Mr. X would like to [sp]eak to you" (your operator) [an]d then again (caller's operator) [an]d once more (caller's secre[ta]ry) only to find he has left [hi]s office. I believe the practice [st]ems from laziness and bad [m]anners and perhaps a touch of [th]e Hollywood mogul—"Get me [M]r. Y." In my experience it [h]appens more in the UK than in [A]merica and it seems to occur in [in]verse ratio to the importance [o]f the caller.

When I last investigated this [p]ractice I uncovered a secret war [w]hich I understand wages be[tw]een secretaries and operators [o]n telephone lines. Victory is [a]chieved when you manage to [ha]ve your opponent's man on [th]e line when yours picks the [ph]one up.

In anticipation of the various excuses which will be put forward by your readers in favour of "get me Mr. Y" may I suggest a simple system which will get them on the line when Mr. Y. answers. Ask your operator to get you Mr. Y's company, or dial it yourself. You can then ask his operator/secretary to get him. Of course then there is always the danger to you of a heirarchy of people asking who is calling— nosiness perhaps?

D. C. Wilkins.
42, St. Winefrides,
Littlehampton, Sussex.

Man the polluter

From Mr. Nicholas Baker

Sir,—The Government has proposed (until no election was called) to spend £15m giving a new look to inner city areas (Sept. 7). Such relatively minor diversions of resources to inner city areas may be justifiable but how is any government to make inner city areas stay clean after such an operation?

Unless fundamental steps are taken to make people keener to live and work in the city areas and more prepared both to take a pride in their city and to work to maintain it the problem will be a recurring one. Two more long term courses of action are vital.

Firstly the disastrous redevelopment schemes favoured above all by Labour inner city councils must never be allowed to recur and communities must never again be broken up in the way they have been since the war as a result of these schemes.

Secondly, the pressures from man's greatest pollutant, namely man, must be eased. In this connection, further encouragement for mass tourist invasions from abroad must be resisted. I have not come across anyone this summer living or working in London who disagrees with the view that the dramatic growth in tourism from abroad during the last two years has made the pressures of living and working in London difficult to the point of being unbearable.

To those who would object to the last point I would urge firstly that the true costs in financial, social and environmental terms of mass tourism from abroad should be properly analysed, secondly that a tourist tax should be seriously considered and thirdly that policies designed to improve the productivity of other industries should be developed.

Such objections have too often in your colums come from those who regard any increase in tourism as automatically a good thing—unless of course it happens on their doorstep.

Nicholas Baker.
Prospective Conservative Parliamentary Candidate, North Dorset.
The Stables,
White Cliff Gardens,
Blandford Forum, Dorset.

The airport we should have

From Mr. G. E. C. Randell

Sir,—May I pass two comments upon the ingenuous statements made by the Planning Director of the British Airports Authority in his letter to you in the September 7 issue.

First, he states that 8 per cent of the travellers using the London Airports (presumably meaning Heathrow and Gatwick) start or finish their journeys in the south-east.

This must mean that 92 per cent of travellers do not, and the logic is why then subject the south-east to further misery in opening the floodgates to even more aircraft with their noisesome and noisy pollution. The correct place for an international airport on a small, densely populated island is to site it on the coast as most thinking people have been saying for years.

Second, he refers to the helicopter service between the two airports (Heathrow and Gatwick) with the inference that this service can, and will, be stepped up subjecting to those who live within sight and sound of this abomination, even greater intensity of annoyance.

It is high time that we stopped dabbling with the Heathrow shambles and with Gatwick, and built ourselves a proper international airport on the coast.

G. E. C. Randell,
"Merryfields,"
Yew Tree Bottom Road,
Epsom Downs, Surrey.

Company law and the EEC

From Mr. M. E. Simons

Sir,—Although there is now, fortunately, much better general appreciation of the vital role played by profits and profit expectations in stimulating business initiatives and expenditure decisions and providing funds for expansion, it is now imperative to improve profit and added value assessment criteria.

British industry, plagued as it is by continuing inflation, must now introduce inflation adjusted "official" profit and loss statements, broadly based on replacement costs of raw materials and supplies. This would much improve the quality of declared profits and added value. A similar system has been used *effectively by many major U.S.* companies for some years although they have until recently been operating in a much less inflationary environment than our own.

Although depreciation charges should preferably also reflect inflation, this adjustment is less pressing as it does not affect important financial criteria, e.g. cash flow sales margins, added value, and cash flow returns.

A decision to use a form of replacement stock valuation in the official accounts should be taken by our most influential ten or twenty industrial companies and be introduced in their annual reports for 1978. Such leadership would be followed with satisfaction by many smaller *well-run companies who* cannot afford to make changes unilaterally for fear that their results will be misinterpreted by shareholders, financial analysts, and not least, employees.

An important consequence of charging the most expensive stocks to production will be to make it much more difficult for those companies which are incurring real losses or only modest profits to pay dividends and to concede higher wages without real productivity improvements. This in turn would permit a more pragmatic national stance on whether specific increases in wages and dividends can be entertained.

Urgent consideration should also be given to prompt implementation of important requirements of the Fourth EEC Directive on Company Law which will in any case become mandatory by 1982. A significant change in balance sheet layout will require UK companies to revert to practices prevalent before the sixties of showing all sources of finance on the same side of the balance sheet and not netting current liabilities against current assets. U.S. and Continental Western European companies have always presented their balance sheets in this way.

The U.S./Continental system has major advantages.

(1) All sources of finance (other than provision for depreciation) are marshalled on the same side of the balance sheet, and total assets employed are not changed (as they currently are with the UK layout) by, for example, funding overdrafts, accruing dividend payable, nor by fine differences between reserves and provisions, nor between current and future taxation liabilities.

(2) Published profitability will be reduced (even without *revaluation of assets to take* account of inflation) as a result of discarding the artificial leverage impact caused by netting current liabilities against current assets. This leverage has been exacerbated because current assets and liabilities reflect inflation more than fixed assets values. A consequence is that all involved and interested parties will better understand that many companies earn less on their assets than is paid on building society accounts. Publication of more realistic profitability returns and resultant financial comments will introduce greater realism into our affairs.

(3) As profitability calculated on total assets will be more directly influenced by the level of gross current assets, i.e., stocks (inventory), debtors (receivables) and cash, more attention will be paid to working capital management and planning. This will reinforce the welcome move of more closely aligning UK sales credit arrangements with domestic practices in North American and Continental Western Europe.

(4) Returns on total asset employed fluctuate less throughout the trade cycle than when calculated on assets employed UK version. Lower profitability oscillation would contribute to steadier capital expenditure.

M. E. Simons.
24, Granard Avenue,
London, SW15.

Profits from Concorde

From Mr. E. Loewy

Sir,—The retention, unused, of several Concordes in the maker's factories, seems to be the height of economic folly. The construction and commissioning costs have been incurred and are, hence, "sunk." No matter how high or misconceived they have been, the need is now to obtain *some* return on that investment, however poor financially, in such a way as to maximise non-quantifiable benefits (prestige, route pioneering, technological advance, etc.) and cover direct operating costs. Air France operates most valuable Concorde routes between Paris and South America which ordinarily do all that, even if they do not make appreciable profits. Surely, it would benefit everybody if the UK Government leased its unsold Concordes to say, British Caledonian at a nominal rent, to operate such services out of London—even develop them further, possibly to Buenos Aires —rather than to allow the investment to earn nothing at all? A feasibility study of such an idea is urgently needed.

E. Loewy.
120, Campden Hill Road, W8.

Burning is still best

Sir,—May I refer to the article "Burning is still the best bet" written by John Cherrington and published in your issue of September 8.

Mr. Cherrington is, of course, correct in his statement but has not carried his argument to the logical conclusion that if you are going to burn the stuff it should be burnt to some purpose.

My investigations carried out over a number of years indicate that in England alone we burn between 3½m and 5m tons of straw per annum. The calorific value of straw is variously quoted between 7,000 and 9,000 BTU's/lbs (about 80 per cent of the value of power station coal). The techniques of burning straw are well understood and a minimum of development will be required to adapt standard P.F. mills for use with straw.

I am fully aware that there are a number of aspects of straw utilisation which are less than perfect but I am confident that none would prohibit its use as a fuel and the saving to the national economy would be not less than £84m per annum.

G. Farkasch,
9, Marlborough Court,
Earls Avenue,
Folkestone, Kent.

Dealing with noisy neighbours

From Mr. M. S. Timms

Sir,—Under the above heading a reader was advised (September 9), in relation to a neighbouring property owner creating a nuisance by night, that his "best course is probably to approach the Environmental Officer at his local authority and possibly the Planning Department." That is certainly not his best course and one wonders why the Financial Times has fallen victim to the trendy notion that for every ill there will be a local or central Government department to provide a panacea?

The powers of a local authority are limited by statute and many are reluctant to use them. Such powers when exercised cannot ensure lasting relief as can the grant of the common law injunction by a county court judge. If your reader is of small means he can obtain legal aid and, of course, the offending neighbour will be ordered to pay costs of the proceedings. The advantage of the injunction is that if disobeyed—or if the nuisance is repeated at any time in the future—the offender may be sent to prison until he purges his contempt. No similar remedy is available by statute to a local authority.

M. S. Timms,
Highways,
Barton Lane,
Berrynarbor,
Ilfracombe, North Devon.

Money for the regions

From Sir Patrick McCall

Sir,—I refer to the Lombard column "Where the barons hold sway" of September 7 which gives an excellent picture of regional assistance and its complications but omits one further complication. Much of the money handed out by Government comes from the Regional Fund of the EEC in Brussels and therefore those seeking assistance have to make application there as well in such cases. There is a yet a further complication that money can also be obtained from the European Investment Bank in Luxembourg for regional projects.

I call attention to this through your columns because I feel it should be more widely known that these two channels are available to all and not least industrialists. If more information is required there is our Information Office at 20 Kensington Palace Gardens and also in Edinburgh and Cardiff.

Patrick McCall.
Vice president, Regional Section of the Economics and Social Committee of the EEC.
Auchenhay Lodge, Corsock,
by Castle Douglas,
Kirkudbrightshire.

Today's Events

GENERAL

Liberal Party Conference Southport (until September 15).

Mr. Denis Healey, Chancellor of the Exchequer, addresses Electrical Electronic Telecommunication and Plumbing Union industrial conference. Goodricks College University, York.

United States, Egyptian and Israeli leaders continue talks at Camp David on Middle East.

Lebanese Christian organisations call general strike to protest against Syrian bombardment of residential areas, Beirut.

European Parliament in session (until September 15).

Commission of the European Communities symposium on Enforcement of Food Law continues, Rome (until September 15).

International Congress on Child Abuse and Neglect opens at Imperial College, SW7—Princess Margaret attending.

Sir Peter Vanneck, Lord Mayor of London, attends formal opening of Sessions at Central Criminal Court, 10.30 am.

OFFICIAL STATISTICS

Index of industrial production (July—provisional).

COMPANY RESULTS

Final dividends: Australian and International Trust. Matthew Clark and Sons (Holdings). Maynards. Jas. Walker Goldsmith and Silversmith. Interim dividends: Babcock and Wilcox. Berwick Timpo. Bestobell. Black and Edgington. Burmah Oil. Carpets International. Elbar Industrial. A. A. Jones and Shipman. Montfort (Knitting Mills). Northern Engineering Industries. Petrocon Group. Steetley Company. Tharsis Sulphur and Copper. Thomas Tilling. Turner and Newall.

COMPANY MEETINGS

N. Brown Investments, Midland Hotel, Peter Street, Manchester, 2.30. B. Elliott, Savoy Hotel, WC, 12.15. General Engineering, Radcliffe Civic Hall, Radcliffe, 12. Siebe Gorman, Winchester House, Old Broad Street, EC, 12.30. Sound Diffusion, Datum Works, Davigdor Road, Sussex, 5.30.

SPORT

Golf: Men's Home International Championships, Ashburnham. Women's Home International Championships, Moortown.

COMPANY NEWS + COMMENT

Midland Educational rejects Pentos bid

A BID worth £2.1m was launched by Pentos last night for the **Midland Educational Company** but this Birmingham-based bookseller and stationer rejected the approach out of hand, shortly after Pentos had announced marginally higher profits for the first half of 1978.

On the news ME's share price jumped 35p to finish the day at 155p.

Pentos, the publishing to garden products group, already owns 4.9 per cent of Midland's equity and is offering 150p cash for each of the outstanding shares.

The bid, however, brought a prompt reply from the Midland Board. A statement said that the Board and its financial advisers Hill Samuel considered the offer "totally" inadequate and unacceptable."

It advised stockholders to "take no action regarding their holdings and not to sign any documents they may receive from Pentos." A detailed document explaining the reasons for rejection will be sent to shareholders after the offer documents have been posted.

Pentos, which operates 23 bookshops of which half are in the Midlands, claims there are "considerable advantages" for any bookselling business and its staff in being part of a large group.

"The development of much needed techniques in stock control and distribution involve a high level of investment which can be absorbed more easily in a larger business," its Board said yesterday.

Pentos also intends to offer 65p for each Midland preference share while ordinary shareholders would still receive their final dividend announced on August 10.

Negotiations between the two companies have been in progress since last month when Midland anounced pre-tax profits for the year to end March 1978 of £100,000 (£326,000).

Last night Mr. Terry Maher, the Pentos chairman, said he was not surprised by Midland's response.

He stressed that discussions so far had been "very friendly" but that the Midland board was not able to help in supplying additional information about the company.

Mr. Maher said a higher cash bid was now unlikely but he hinted that a new offer of shares plus cash was possible. He added, "There is no question of our own shareholders having to raise money. We will pay for this with our own cash resources."

In the first half of 1978, trading profits of Pentos climbed 17 per cent to £1,491,000, but after interest and associate earnings the rise at the pre-tax level was cut to 4 per cent with an advance from £1,075,000 to £1,113,000, on turnover 29 per cent higher at £23.92m.

The 1977 pre-tax profit included a £238,000 share from the group's holding in Phoenix Timber Company which was sold last September.

Mr. Maher says profits are increasingly biased towards the second part of the year—of last year's peak £3.26m pre-tax profit, £2.18m was earned in the latter half.

With comparisons restated to comply with ED19, tax for the half-year takes £278,000 (£270,000) based on a 25 per cent rate, and profits attributable to ordinary holders emerged at £806,000 against £767,000.

Regarding dividends, Mr. Maher says that the directors' policy is that payments should be increased broadly in line with earnings, subject only to unforeseen circumstances and statutory controls.

In the event, the interim dividend is lifted from 1.452p to 1.6214p net, from half-yearly earnings of 5.32p (5.15p) per 10p share and for all 1978 the directors intend to recommend payments at least 10 per cent higher than the 1977 total of 4.292475p net.

Should 1978 earnings allow a higher level of dividend to be declared within present controls, then such a figure will be recommended, he adds—the Treasury has indicated that 1976 is the relevant year for the purposes of the new provisions relating to cover.

● comment

Pentos pre-tax profits are just ahead in the traditionally quieter first half. Stripping out the associates, however, and taking away the small contribution from acquisitions, and the figure jumps to around 30 per cent. This shows a good underlying advance and the group now looks to be back on its previously strong growth tack after last year's more modest gains. Bookselling makes no profit in the first half but the second six months should be particularly strong. Meanwhile, demand for aluminium frame greenhouses has been fairly flat but with the help of acquisitions and internal expansion the camping and garden furniture interests are expected to make £1.5m pretax in 1979, against £0.6m last year. The group has calculated earnings cover on a full tax charge basis and some reward above 10 per cent is now likely with profits for the year expected to be in excess of £4m. The shares fell 5p to 107p where they stand on a prospective p/e of 5.6 (based on last year's tax charge) and yield 6.7 per cent. But the outlook for the shares seems uncertain pending the cash bid for Midland Educational given that borrowings already total more than 50 per cent of shareholders' funds.

Williamson Tea upsurge

ON TURNOVER ahead by nearly £10½m from £16.7m to £27.12m pre-tax profits of Willamson Tea Holdings expanded to a record £7.64m for 1977 compared with £5.69m last time.

Net profit was £2.3m (£1.63m) after tax of £5.35m against £4.05m giving earnings of 75.46p (58.71p) per £1 share. The dividend is stepped up to 12.5p (9p) net.

	1977 £000	1976 £000
Turnover	27.120	16.700
Pre-tax profit	7.643	5.687
Tax	5.346	4.054
Net profit	2.297	1.633

Downturn at Danish Bacon

A FALL in pre-tax profit from £1,172,000 to £451,000 is reported by **Danish Bacon Company** for the 32 weeks ended August 12, 1978. Turnover in the period was £122.26m against £125.31m last time.

Last year's turnover figure included sales of £11m under the agency for Danepak products which has since been cancelled.

Net profit was £217,000 (£563,000), after tax of £234,000 (£609,000).

The interim dividend is 3.12p (3.127p) net per £1 share. Last year a 3.514p final was paid on pre-tax profits totalling £1.67m.

Moran gains from insurance

FOR THE insurance division of **Christopher Moran Group**, turnover for the year ended January 31, 1978 amounted to £2.51m and profits before tax were £1.75m—the group is now engaged solely in insurance broking and Lloyd's underwriting, following the sale of its industrial subsidiaries.

Comparative figures are for nine months to January 31, 1977 and show a six-month contribution of £1.05m from insurance and £5.67m from the industrial division. Profit in the period was £994,000 including £207,000 from industrial and £787,000 from insurance.

The disposal or liquidation of the five remaining industrial trading subsidiaries is dealt with in the latest results, resulting in an extraordinary loss of £905,000, more than offset by the unrealised profit of £917,000 on the group's new headquarters building.

All areas of the insurance operations are doing well in the current year and the directors now look forward to being able to concentrate all the group's resources on insurance activities.

Undiluted earnings per share are shown at 4.9p (7.1p for nine months) and 4.8p (4.2p) diluted. The directors are recommending a final dividend of 2.6p making 3.6p compared with 2.68125p or 3.575p on an annual basis.

● comment

Christopher Moran's results are long overdue. But the group has been sorting out the problems caused by the divestment of its industrial interests. Moran is now a reinsurance broker with 50 per cent of its brokerage earned in the aviation market. This has not been such a depressed area as some other markets for the increasing value of risks has meant that an increasing amount of reinsurance cover has been arranged by insurers. So although conditions have been competitive on premiums the volume of business has held up. Meanwhile, the otherwise serious implication following the loss on disposals has been offset by a property revaluation. Moran is confident that reserves can be built up over the coming years. But even so punters are likely to wait until the half year figures appear in November before giving the shares at 62p a run. At present levels the shares yield 9 per cent and stand on a premiums rating of 12.3.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Andersons' Rubber ...int.	0.6	—	0.6	—	1.45
Astbury & M'd'ley ...int.	0.5	Oct. 13	0.39	—	1.16
Banro Cons. ...int.	0.53	Nov. 1	0.48*	—	2.16*
Barton & Sons ...int.	1.1	Nov. 3	1*	—	2.75*‡
British Mohair ...int.	0.8	Oct. 27	0.72	—	2.72
British Syphon ...int.	1.16	Jan. 3	1.0	—	3
Danish Bacon ...int.	3.12	Jan. 3	3.13	—	6.64
S. W. Farmer ...int.	2.79	Dec. 4	—	—	5.05
Glendevon Inv.	1.1	Nov. 15	0.95	1.85	1.65
Glendevon Inv. ...int.	0.75	April 9	0.75	—	1.85
John Haggas	0.55	Nov. 28	0.47*	0.75	0.67*
Kennedy Smale ...2nd int.	1.2†	Oct. 20	1.2	2.4	2.2
Land Investors	0.8	Oct. 30	0.53*	1	0.67*
Chris. Moran	2.6	Oct. 30	—	3.6	2.68§
Pentos ...int.	1.62	Oct. 12	1.45	—	4.29
Reckitt & Colman ...int.	5.2	Jan. 5	4.66	—	10.71
Staff. Potts.	2.69	Nov. 8	2.39	3.95	3.54
Tor Inv. Income	3.52	—	2.97	5.66	4.92
Tor Inv. Capital	0.57	—	0.49	0.57	0.49
Williamson Tea	12.5	Oct. 19	9	12.5	9
Willis Faber ...int.	3.21	Nov. 3	2.88	—	9

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes additional 0.0261p now payable. § For nine months. ¶ Gross throughout and in lieu of final. Accounts delayed until October 6 by fire at subsidiary.

John Haggas on target with record £4.11m

FINAL QUARTER pre-tax profits of £1.56m against £0.99m left John Haggas ahead from £3.31m to a peak £4.11m for the year ended June 30, 1978, compared with a forecast of in excess of £3.5m made in April. Sales rose £3.63m to £23.98m.

A divisional split of sales and profits shows (in £'000's): spinning £14,346 (£11,596) and £1,759 (£1,863), knitting £4,375 (£4,940) and £473 (£298), and fur fabrics £5,267 (£3,763) and £738 (£346) respectively. Spinning profits were before a £118,000 surplus (£766,000 loss) on sale of Government securities.

After tax of £2.14m (£1.73m) earnings per 10p share advanced from 13.01p to 15.81p. The dividend total is effectively raised to 0.752p (0.672p) net, with a final of 0.552p.

The directors say the higher turnover from spinning is entirely due to the fact that a much greater proportion of wool has been used and does not denote an increase in volume. The trouser sector again did well, and made higher profits.

The knitting division achieved record profits and, with the prospect of a slow-down in imports due to the MFA agreement, coupled with higher UK consumer spending, the future looks better than for many years, the directors state.

Fur fabrics had a "splendid year" and fulfilled the directors' best hopes. However, of the sector's three factories virtually all the profits came from two of them, and there is scope for a further profits increase when the third factory attains its full potential, they add.

Current trading conditions are "patchy" and are not yet good in all areas, but provisional figures for the first two months show an increase in profits over the same period of last year.

The directors say it is too early to forecast this year's profits, but add that it would seem likely that they will again show an increase.

● comment

A 50 per cent increase in investment income was a major factor in John Haggas beating the forecast of profits in excess of £3.5m made when the third quarter results were released. The investment income jump came at the expense of higher profits from group spinning operations as the company used overdraft funds to buy further gilt securities. Total sales rose 17.9 per cent, but, in volume terms the increase would have been much less, particularly in the spinning division. The EEC multi-fibre agreement is starting to restrict growth of imports and there are signs that buyers are starting to switch orders to domestic companies. This bodes well for the figures in 1978/79 which are already showing some improvement on last year. The shares however fell 8p to 124p in the absence of any dividend boosting scheme and at this level the p/e is 7.81 and the yield is just less than 1 per cent.

LMS growth prospects 'highly encouraging'

"WITH THE exceptional degree of liquidity and asset strength which **London Merchant Securities** has now achieved, the prospects for continued growth are highly encouraging," Lord Rayne, the chairman, says in his annual review.

And while the effect of the disposal of a 51.7 per cent interest in Carlton Industries will initially be to reduce substantially the pre-tax result of the group, there will be an improvement in the distributable profit and the cash flow available to LMS.

As well as the projected growth in income from its property investment portfolio, further increases should be forthcoming as the proceeds of the Carlton sale are redeployed, as well as from the investment in Century Power and Light and other activities, Lord Rayne says.

Rental income from investment property is expected to rise from £2.8m to £6.5m in the next five years, with more than half the additional income accruing to LMS.

With its abundant cash resources, no further property disposals are envisaged and the group is poised to expand significantly its property development and investment activities, the chairman says.

The upturn in commercial rental values is expected to continue and the demand for and value of good quality investment property is likely to be reinforced by rises in building costs and inhibitions on development.

Lord Rayne says that while at March 31, 1978, year end net tangible assets were ahead from £44.7m to £48m the sale of the Carlton shares increased net assets to almost £60m. Also, the value of its remaining Carlton shares at the current market price exceeds the pro-forma balance sheet figure of £6.7m by some £10m.

Investment properties are also estimated to be some £20m above book value, although an independent valuation will not be sought until March 31, 1979. The group's 29.4 per cent share of Century Power and Light, although listed at cost, is thought to have a value some £8m to £10m higher.

The pro-forma balance sheet to reflect the sale of the Carlton interest shows properties down to £72.88m (£87.07m) and other fixed assets at £260,000 (£9.68m). Its associate interest in Carlton is listed at £10.02m and the cash proceeds from the sale are given at £22.4m.

The overall balance sheet total is down from £140.51m to £115.57m with long-term loans £9.44m lower at £26.41m and short-term loans and overdrafts cut from £18.98m to £8.82m.

As previously reported pre-tax profit for the latest year jumped from £6.07m to £9.48m.

A one-for-one scrip issue is proposed as well as the conversion of the group's capital shares to an equivalent number of ordinary shares.

ISSUE NEWS AND COMMENT

Dufay's £0.9m issue of convertible stock

Dufay Bitumastic, a Darlington based manufacturer of surface coatings, has come up with an unusual rights issue of convertible unsecured loan stock to raise around £925,000.

The terms of the issue are £1 of 10½ per cent convertible unsecured loan stock dated 1998-2003 for every 12 ordinary shares held at par.

The stock, which is payable in full on acceptance no later than October 6, will be convertible during May in each of the years 1980 to 1990.

The basis of conversion is 280 ordinary shares per £100 nominal of stock—equivalent to a conversion price of 35.7p per share. The shares closed 1p down at 35p in the market.

The directors state that the net proceeds of the issue will be used to reduce short-term borrowings.

It is expected that dealings in the convertible will start on Monday, September 18.

The issue is underwritten by S. G. Warburg and brokers are Fielding Newson-Smith.

● comment

Borrowings at Dufay last December equalled about 50 per cent of net shareholders' funds and the 1977 interest charge took 15 per cent of trading profits in 1977. Not excessive gearing, but the directors wanted to wipe out short-term debt of £1m. However, a conventional rights issue would have been difficult. Dufay's profits were almost halved between 1974 and 1977 and the latest interim figures showed only a modest recovery. To raise £1m by an equity issue could have meant adding a third more shares to the capital, and with a historic yield of only 6 per cent, shareholders would have expected something by way of a higher payout. But to cover the existing level of dividend on the increased equity could have dropped the dividend cover to 1.4 times. Even with the interest saving and improving profits this year the direc[...] little scope.

So Duffy has come up wi[...] looks like a reasonable d[...] both shareholders and th[...] pany. The conversion pri[...] line with the current mark[...] and shareholders are offered a much higher ane[...] at least part of their inte[...] A recovery in trading at th[...] end of pipe coating is loo[...] in 1979 so in two years tim[...] conversions start profits m[...] made a strong come back [...] face of it the convertible start trading at over par.

ANDERSONS' RUBBER PLAC[...]

Andersons' Rubber ha[...] pleted arrangements for a[...] of 400,000 shares at 35[...] though existing shareholde[...] the first option to take shares. In the market the [...] were unchanged at 43p.

Shareholders, apart fr[...] members of the founding [...] are being given the opp[...] to take up the shares in [...] portion of one new sh[...] every two held on Septem[...]

Therefore the number o[...] actually placed will be re[...] the extent that existing holders take up the [...] styled offer.

The placing is made [...] view to strengthening t[...] pany's capital base and [...] ing its ability to take ac[...] of this expected growth.

The company also an[...] half-year figures to July. Sales are up from £[...] £1.81m and pre-tax pro[...] £72,200 (£57,300).

The Board are decla[...] interim dividend of 0.6p p[...] It is intended to pay a fi[...] dend of 2.7p per share.

The arrangements ha[...] completed through Indus[...] Commercial Finance Cor[...] in conjunction with brok[...] and Co., Woodcock of Br[...]

London first overseas quote for Motorola

Motorola Inc., a leading U.S. manufacturer of electronic equipment is getting a London listing today.

At present Motorola's shares are only quoted in the U.S. This first listing outside America appears largely to be a matter of prestige. No other overseas listings are being contemplated as yet though Frankfurt and Paris quotations may come in the next few years.

Motorola has a few UK investors, but today's listing is not expected to herald a large amount of dealing here. Most large institutional investors would probably deal direct with New York anyway because it is cheaper to do so.

The company is engaged in the manufacture of a broad line of electronic products. These include two-way radios and other forms of electronic communications; semiconductors; electronic equipment for military and aerospace use; automobile radios and other automotive equipment; and data communications products.

In the year to December 31, 1977 sales amounted to $1,800m and profits were $190m. The group has net assets of $790m. In the six months to July 1 sales were $1,042m and profits were $109m.

In the UK the company has a major micro-electronics facility in East Kilbride and over the next two or three years it is expected to double its present size with an expansion programme costing £3½m.

The company also has plants in Stotford in Hertfordshire and Basingstoke in Hampshire. UK employees amount to 1,200 and sales in 1977 were £45m, including a large slice of exports.

Kleinwort Benson and Goldman Sachs International have handled the listing with de Zo[...] Bevan.

YEARLINGS UNCHANGED

The coupon rate on th[...] issues of local authority [...] bonds is unchanged at [...] cent. The bonds are [...] par and are due on S[...] 19, 1979.

The issues are: [...] Borough Council (£½m), [...]ham District Council (£[...] of Manchester (£1¼m), St[...] Regional Council (£½m[...] Hampshire District Counc[...] Wokingham District [...] (£½m), City of Cardiff [...] Monklands District [...] (£1¼m), City of Ma[...] £1½m), Maldon District [...] (£½m), Preseli District [...] (£½m), Doncaster Met [...] Borough Council (£½m[...] Bedfordshire Borough [...] (£½m), Beaconsfield Distr[...] cil (£½m).

The County Council [...] Glamorgan has raised £1[...] able rate bonds dated S[...] 8, 1982. Luton Borough [...] and the London Bor[...] Wandsworth have rai[...] apiece by the issue of vari[...] bonds dated September [...]

All the variable iss[...] been priced at £99¾ per [...] carry an interest rate [...] cent over LIBOR.

HALMA SCRIP

Halma proposes a sc[...] of 11 per cent £1 cu[...] preference shares on bas[...] for every 30 ordinary sh[...]

It remains the intentio[...] board to increase the [...] dividends on the ordinar[...] within the limits impose[...] Government, subject t[...] tenance of satisfactor[...] levels.

British Syphon ahead midway—acquisitio[...]

TURNING IN a marginal increase in pre-tax profit from £616,108 to £645,072 for the first half of 1978, **British Syphon Industries** announces the purchase of two companies—Brook Mason, trading as Data Label, and Vending Centre (Holdings), an offshoot of Tace.

Mr. J. Eardley, the chairman, reports that improved market penetration at home and abroad has resulted in sales of cooling equipment higher than anticipated although costs associated with obtaining overseas business have to some extent affected margins.

However, any shortfall in this direction has been offset by increasing activity in other parts of the group and the chairman expects both of these trends to continue throughout the rest of the current year.

The chairman states that the group's corporate strategy is based on three major activities—the engineering products division, manufacturing services, and industrial merchanting. He says that the group is determined to become less and less dependent on any particular product or market and to organise the group so as to smooth out, as far as possible, the cyclical rises and falls in many of the industries served.

The chairman believes that from these foundations the group will be able to expand steadily both by internal growth and by acquisition.

Sales in the half year amounted to £9.69m compared with £9.04m. The profit was struck after interest of £148,536 (£140,369) and allowing for tax of £273,029 (£120,414) the net balance came through lower at £370,043 against £495,694.

The interim dividend is increased from 1p to 1.16p net and the maximum permitted total is forecast for the year—the total for 1977 was 3p paid from profits of £1.04m.

Vending Centre will be purchased for an initial consideration of £193,000 and an outstanding loan of £98,000 will be repaid. These amounts will be financed by the placing of 493,000 shares. Net tangible assets at September 30 amounted to £272,000 and pre-tax profits for the year ended on that date were £70,000.

Brook Mason will be purchased for an initial consideration of £77,000 satisfied by about 130,500 ordinary shares which are being placed. Directors' loan accounts will be repaid in cash and there will be a further payment depending on profit performance.

● comment

A modest 5 per cent growth in taxable profits at British Syphon Industries is slightly better than expected and a big improvement on the poor second half last year. Full-year profits of about £1.3m now seem possible but the longer-term outlook is more interesting. Although engineering products now account for more than half the profits, BSI plans to expand its manufacturing services and merchanting activities to bring their contribution more [...] This certainly seems a w[...] since dependence on brewers proved costly in [...] The UK cooling e[...] market also seems to be [...] out though dispensing [...] helped by the soft drin[...] from bottles to draught [...] in demand. Exports, alth[...] a small part of total sal[...] also grow rapidly and [...] it has the technical kno[...] ultimately make [...] inroads in France and [...] The group is widely sp[...] perhaps deserves a m[...] rating. The shares at 62[...] a prospective fully-taxe[...] 6.5 and a yield of 8.1.

RESULTS AND ACCOUNTS IN BRIEF

OWEN AND ROBINSON (jewellery retailer)—Results for year to May 31, 1978, already known. Group fixed assets £287,536 (£179,839), net current assets £341,526 (£436,864) with bank overdraft £124,225 (nil). Company is close. Directors say company's affairs are satisfactory. Meeting, York on October 5, 3 pm.

CITY OF LONDON BREWERY AND INVESTMENT TRUST—Results for year to June 30, 1978, already known. Investments £39.79m (£35.31m) unrealised surplus £2.04m (same). Current assets £1.18m (£1m) current liabilities £920,234 (£829,519). Year end bank balances and short term loans £1.17m (£826,238). The chairman looks forward to further progress and a satisfactory year. Meeting, Winchester House, EC, October 2, 2.30 pm.

WINCHMORE INVESTMENT TRUST—Gross revenue for six months to June 30, 1978, £26,786 (£18,687), pre-tax profit £21,689 (£14,486). Interim dividend 0.4p (0.35p) net. Net asset value per 25p share 43p (41p at December 31, 1977).

WEMYSS INVESTMENT COMPANY—Net asset value at August 31, 1978, 392.2p.

MALAYSIA RUBBER COMPANY—Results for March 31, 1978 year already known. Investments £120,055 (£104,559), net current assets £40,177 (£57,126). Working capital increased £891 (£3,366). Continued rewarding returns on investments are expected in current year. Harrisons and Crosfield (including Harrisons Malaysian Estates) hold 24.9 per cent of the equity. Kinta Kellas Rubber Estates 18.6 per cent and New Crescent (Holdings) 9.2 per cent. Meeting, 1, Great Tower Street, EC, October 5 at noon.

DIPLOMA INVESTMENTS (industrial holding company)—Results for June 30, 1978, reported September 6 with directors' observations on prospects. On CCA basis, historical pre-tax profit £4.62m (£4.06m) reduced to £4.34m (£3.45m). Group fixed assets £4.98m (£4.66m), net current assets £10.14m (£6.37m). Net liquid funds increased by £615,000 (£52,000 decrease). Company proposes to change its name to Diploma Ltd. Meeting, Great Eastern Hotel, EC, October 6, noon.

F. COPSON COMPANY (heating equipment, builders' materials)—Results for year to April 30, 1978 already reported. Fixed assets £408,076 (£324,205). Net current assets £459,857 (£419,072). Meeting, Walmsley, Sutton Coldfield, October 4 at 12.30 pm.

BIRMINGHAM AND DISTRICT INVESTMENT TRUST (member of the BET Group)—Interim net dividend to (same) per 10p share and pre-tax profit £1,006,195 (£917,577) for first half 1978, after expenses and interest. Tax £372,400 (£329,000), leaving net profit £727,795 (£589,577). Interim absorbs £335,568 (same).

ELECTRICAL AND INDUSTRIAL INVESTMENT COMPANY (member of BET Group)—Gross income for half-year ended June 30, 1978 £322,971 (£291,183). After expenses £16,369 (£15,600), debenture interest £4,000 (£4,000), other interest £920 (£1,260). Profit £301,511 (£270,363), before tax £105,000 (£94,750).

GARFORD - LILLEY INDUSTRIES (engineering, plastic extrusion and moulding, woodworking)—Results for March 31, 1978 year reported August 17. Group fixed assets £925,113 (£596,614), net current assets £1,006,925 (£934,620). Capital spending contracted for but not provided £4,000 (nil), authorised but not contracted for £100,000 (nil). Chairman says company has been cautious in using strong capital resources, but money has been spent in improving existing plants. Meeting, Great Northern Hotel, N, October 4, noon.

GEEVOR TIN—August 5,922 tonnes treated produced 54 tonnes Black tin (65 per cent Sn.) including 4 grade concentrates. The mine [illegible] for two weeks annual holiday month.

RAHMAN HYDRAULIC TIN—August 69 tonnes (July 89 tonnes).

THE EX-LANDS—At the AGM [illegible] man stated that: (1) The Ce[...] of Nigeria has fixed a price per share in respect of the 60 per cent of the subsidiary terms of the Nigerian Enterp[...] motion Decree. On completion sale, the parent will receive [illegible] mately £210,000 which, subject Exchange Control, will be r[...] the UK. Book cost of the [...] in the subsidiary is £406,133 an[...] will give rise to a loss. des[...] exchange sales of some £39 board considers there is no other than to accept the price production for the first eight [...] the year was 211 tonnes (Augu[...] tion 23 tonnes). (3) Net asset the company per share was [...] but about 36 per cent of the a[...] in Nigeria.

ANGLO AMERICAN CORPORA[...] SOUTH AFRICA—Coal Divi[...] output for August (figures tons): **REPUBLIC OF SOUTH** [...] Bituminous: Amalgamated [...] 295,279; Anglo Power (Arnot [...] (Kriel) 429,046; Bleshok 29,330 [...] tion (Bank) 174,200; New Largo [...] S.A. Coal Ests. 269,583; [...] 194,391; Springfield 278,306; [...] (Coal) 22,151; (Coke) [illegible] Collieries: Vierfontein 136,993; Natal's Indumeni Colliery 37,63[...] clair: Balgray 39,154; Natal [...] 62,698. Rhodesia: Wankie (Coa[...] (Coke) 16,252. Swaziland: [...] Collieries Mpaka Mine 2,127. [...] Moruptle 22,583. Group Total [...]

Reckitt & Colman ahead 9.9% at £31m halfway

[WO]RLDWIDE sales of Reckitt & [Col]man increased 8.4 per cent to [£3]9.9m in the half year to [J]uly 1, [197]8, and pre-tax profits were [ahe]ad 9.9 per cent from £28.21m [to] £31m.

[O]f the sales figure, 75.7 per [cen]t came from outside the UK [whi]le 83.5 per cent of profits came [fro]m overseas trading operations, [inc]luding UK exports.

[E]arnings per share are shown [at] 27p against 24.8p before ex[cha]nge differences and the net [int]erim dividend is raised from [4.]4p to 5.2p. Last year's total [wa]s 10.705p on pre-tax profit of [£65].91m.

[M]r. James Cleminson, the chair[ma]n, says the average rates of [ex]change in the first half used [in] translating the sales and profit [of] overseas operations reflected [the] improved strength of sterling [com]pared with the corresponding [per]iod of 1977.

[E]xcluding Latin America, where [infl]ation distorted comparisons, [the] changes in rates of exchange [app]roximately halved the percen[tag]e increase in profit in sterling. [Th]e actual 1978 first half year [res]ults therefore represent a very [sat]isfactory performance in the [fac]e of the difficult trading con[diti]ons which continue in the [ma]jority of the group's worldwide [ma]rkets.

[H]owever, it is difficult to see [in] the short term any substantial [imp]rovement in world trading [con]ditions which will favourably [aff]ect trading in the second half, [Mr]. Cleminson says.

[I]n addition, as compared with [197]7, results will continue to be [aff]ected by the relative strength [of] sterling against the U.S. dollar [and] the currencies of other major [cou]ntries.

[H]owever, these factors do not [det]ract from the basic strength [of] the group with its wide pro[duc]t and geographic spread. "I [rem]ain confident that it will con[tin]ue to progress satisfactorily," [the] chairman states.

[O]n the domestic side, sales [we]re ahead 18.5 per cent despite [the] fact that there was little sign [of] real growth in sales of manufactured goods through the UK grocery trade. In the face of this static and strongly competitive environment, the UK group achieved a very good improvement, especially in the second quarter, the chairman says.

The first-half profit increase from £3.77m to £5.23m helped to offset the drop in export profit. The household and toiletries division was most successful in returning to better profitability and food and wine was able to increase sales and profit.

The pharmaceutical division performed well both in the proprietary and prescription fields and this supported the continued expenditure on research and development of ethical products.

The result in Europe was very creditable, especially in France, in view of the continuance of dull conditions in nearly all European markets.

North American markets again reflected the lack of growth in the grocery trade but the creative leisure business continued to make progress.

Although total sales were ahead 11.4 per cent in currency terms, the exchange rates used reduced this increase to 1.4 per cent in sterling and reflected a profit before tax drop in sterling of 6.5 per cent.

Reckitt and Colman Australia, of which the group owns 69.7 per cent, has already reported first half year results. In currency terms it recorded a growth in sales of 11.2 per cent and in operating profit before tax of 18.6 per cent.

The South African business was able to show improvement in currency terms but exchange rates again affected adversely the sterling figure.

In Brazil all sectors of the business increased sales but profit, in sterling terms, was slightly below that of last year owing to the costs of launching insecticides. The rest of Latin America showed an overall improvement in sales and profit.

	First half 1978 £m	1977 £m
UK sales	92.96	79.75
Less exports	19.73	17.95
Europe*	52.65	46.72
Nth. America	67.90	66.97
Australasia and Asia	56.00	54.77
Africa	26.35	24.04
Latin America	25.78	23.37
Total sales	302.09	278.57
Trading profit	33.28	30.39
Interest payable	2.20	2.15
UK profit	7.59	6.85
Export	2.66	2.56
Europe*	4.90	4.12
Nth. America	6.02	5.57
Australasia and Asia	8.25	7.14
Africa	4.93	5.09
Latin America	3.60	3.63
Interest and expenses	0.80	0.91
Profit before tax	31.00	28.21
Tax†	12.57	11.22
Net profit	18.43	16.99
Minorities	1.79	1.70
Pref. dividends	0.08	0.08
Attributable ordinary	16.56	15.21
Exchange profits	0.72	10.79

* Excluding UK. † Including deferred tax and consists of UK tax (after relief for overseas tax) £2.45m (£1.81m) and overseas tax £10.12m (£9.41m). ‡ Loss.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Babcock and Wilcox, Berwick Timpo, Bestobell, Biddle, Black and Edgington, Burmah Oil, Carpets International, Corinthian Holdings, Elbar Industrial, A. A. Jones and Shipman, Liverpool Daily Post and Echo, Monfort (Knitting Mills), Nigerian Electricity Supply, Northern Engineering Industries, Petrocon, Steetley, Tharsis Sulphur and Copper, Thomas Tilling, Turner and Newall, UDS.

Finals—Australian and International Trust, Matthew Clark, Maynards, Romai Tea, James Walker Goldsmith and Silversmith.

FUTURE DATES

Interims—	
Beatson Clark	Oct. 2
Gamrex	Sept. 18
City Hotels	Sept. 21
Expanded Metal	Sept. 19
Mackay (Hugh)	Sept. 21
Neill (James)	Sept. 29
Rowntree Mackintosh	Sept. 20
Sunlight Service	Sept. 26
Tate and Lyle	Sept. 20
Tilbury Contracting	Sept. 20
Weeks Associates	Oct. 11
Finals—	
Rivoli Cinemas	Sept. 15
Telefusion	Sept. 22

Willis Faber down midterm and sees lower result

PROFITS BEFORE tax of Willis Faber, insurance broker, amounted to £10.51m in the first six months of 1978 compared with £10.83m in the same period last year and indications are that the final result will be below the £19.56m of 1977.

Mr. A. R. Taylor, the chairman, says the first half is somewhat below his expectations expressed in April when he warned of a less promising outlook for 1978. He expects the trend of the first six months to continue for the rest of the year.

Earnings per 25p share are shown at 12.37p against 12.4p. The interim dividend is increased from 2.875p to 3.2104p—last year's final was 6.125p.

Income, comprising net retained brokerage, fees and commissions, interest and dividends was up 13 per cent to £23.51m despite the depressing influences of sluggish world trade and substantial overcapacity in the marine and aviation markets.

The insurance subsidiary, Sovereign Marine and General Insurance Company, achieved income of £1.73m against £1.6m, being net retained premium income plus investment income.

	6 months 1978 £m.	1977 £m.
Income	23.51	20.75
Expenses	14.90	12.18
Sovereign profit	.25	.27
Associated profit	1.65	1.99
Profit before tax	10.51	10.83
Tax	5.50	5.51
Net profit	5.01	5.02
Extraordinary items	—	.15
Minorities	.01	.01
Attributable	5.00	5.16
Dividends	1.33	1.20
Retained	3.67	3.96

The occupation of 10, Trinity Square increased expenses by around £2m a year against the former Leadenhall Street premises at the end of their long leases. Despite this apparent financial disadvantage in the short term, the group owns excellent freehold properties and is free from the uncertainties of the property market, the chairman says.

The response to the market requirement to account in several additional currencies will cost up to £1½m in the full year, although this figure will be reduced in future, mainly due to the systems development work, which progresses well.

The directors are taking active steps to increase the flow of profitable new business. Certain organisational changes have been made and responsibilities re-aligned to increase efficiency.

See Lex

British Mohair progress

FOR THE first half of 1978 taxable profit of British Mohair Spinners climbed from £1.04m to £1.34m from turnover ahead from £12.33m to £13m.

Directors say trading conditions in the period were in line with expectations, but profits would have been greater if the rate of deliveries to continental Europe had been the same as for other markets.

In general, the demand for mohair has never been higher and selective promotion is proving most effective. As demand continues to exceed supply, raw material prices continue to rise.

Full year results should at least equal last year's peak £2.41m, barring unforeseen circumstances.

Profit was struck after interest payable of £88,400 (£189,900). After tax of £698,700 (£542,800), net profit came out at £643,200 (£505,100).

The interim dividend is lifted from 0.715p net per 25p share to 0.7984p, and will absorb £91,765 (£82,178). Last time a 2.003p final was paid.

Static half for S. W. Farmer

IN LINE with directors' expectations, S. W. Farmer Group reports pre-tax profits little changed at £503,000 for the first half of 1978, compared with £500,000, on turnover of £6.39m against £5.74m.

The directors consider the group's current work-load to be satisfactory, but say the anticipated upturn in the home economy has still failed to materialise and its efforts, therefore, continue to be strongly directed into export markets—during the six months, exports represented 67 per cent of turnover.

They view the remainder of the year with confidence and add that the group is well placed to take advantage of an improvement in home and world trading conditions, which would enable it to show an improved performance over the next 12 months.

For the whole of 1977, pre-tax profits of £891,000 were achieved.

The first half-year has been one of high activity although somewhat unbalanced over the spread of group activities, the directors explain.

After a half-yearly tax charge of £261,000 (£249,000) and preference dividends, available profits came to £242,000 against £248,000. Stated earnings were lower at 10.36p (10.79p) and a net interim of 2.79p, costing £65,000, is to be paid. Last year's single final was 5.05p.

Barton & Sons advances 40% to £1.9m in six months

[AN] ALMOST 40 per cent increase [in] pre-tax profit from £1.38m to [£1.]93m is reported by Barton and [So]ns for the first half of 1978. [Tu]rnover in the period rose from [£19].62m to £22.34m.

[A]nd in the absence of unfore[see]n circumstances Mr. J. M. [Ba]rdle, the chairman, says direc[tor]s will be disappointed if results [for] the full year are not at least [as] good as the record £3.62m [ach]ieved last year.

[I]t would be unrealistic, how[eve]r, to convey the impression [tha]t the pattern of the past two [yea]rs, when second-half profits [hav]e been significantly better [tha]n the first, will be repeated.

[A]part from the sale of its [Sou]th African interests, which [con]tributed profits of £400,000 in [the] first half, there are slight [ind]ications of a reduction in [de]mand in certain parts of the [gro]up.

	Half year 1978 £000	1977 £000
[Tur]nover	22,339	19,624
[U]K	15,310	12,919
[Ove]rseas	7,029	6,705
[Tra]ding profit	2,059	1,558
[illegible]	1,361	1,041
[O]verseas	698	517
[Inte]rest	129	174
[Prof]it before tax*	1,930	1,384
[illegible]	973	700
[Net] profit	957	684
[Pre]f. dividends	7	7
[Ord]. dividends	204	186
[Reta]ining	746	491

[* Pr]ofit is after depreciation of £427,000 [(£...].000).

After tax of £0.97m (£0.7m) net [pr]ofit came out at £0.96m (£0.68m), [an]d earnings per 25p share are [sh]own ahead from 3.73p to 5.23p.

[Th]e interim dividend is lifted [fro]m an adjusted 1p to 1.1p net [an]d an additional 0.0281p is to be [pai]d for 1977. Directors intend [pa]ying the maximum permitted [fin]al, and if restraint is lifted a [ma]terially higher dividend. Last [yea]r a 1.7238p final was paid.

[O]n the sale, for £3.41m, of its [So]uth African interests, Mr. [Ba]rdle says that the price offered [wa]s considered extremely advan[ta]geous and probably incapable [of] achievement in the future. [Al]so, directors were sure the [pu]rchaser was a first class [em]ployer and that opportunities [for] its executives and workforce [wo]uld probably be greater in a [lar]ger organisation. Full details [wi]ll be sent to shareholders soon.

At June 30 net current assets of Barton stood at £13.19m compared with £11.83m at December 31, 1977 while fixed assets were up from £7.32m to £8.07m.

Tor Inv. earns and pays more

Revenue of Tor Investment Trust for the year to July 31, 1978 emerged higher at £274,895 against £242,176, after all charges including tax of £155,089 compared with £148,575.

Gross revenue was £576,155 (£536,337) and comprised gross income from investments £523,052 (£464,961), deposit interest and discount on Treasury Bills £50,699 (£70,176) and fees and commissions of £2,404 (£1,200).

The dividend on the 25p income shares is increased to 5.6625p (4.92p) net per share absorbing £213,022 (£185,090) with a final of 3.5175p. And the payout on the 25p capital shares is lifted from 0.492p to 0.58625p net, costing £14,201 (£12,339).

At July 31, 1978 market value of investments was £9,487,809 (£8,824,930) and net current assets amounted to £758,211 (£488,870). Net asset value per share, including full investment premium of 48 per cent (43½), is given as 59.39p (55.42p) income, and 250p (208.44p) capital.

The sum of £37,542 is added to revenue reserve.

Carrington Investments begins well

Results to date for the current year at Carrington Investments are well up on 1977-78 and directors are confident that profits for the March 31, 1979 year will comfortably exceed those of last year.

Mr. Robert Orton, the chairman, says in his annual statement that the group's property portfolio is generally in very good order and that the company has no unlet developments nor problems with Development Land Tax.

The group's properties mainly consist of offices and shops in London and Birmingham. All are revenue producing and the pattern of rent reviews in the next few years should ensure an increase in rents receivable, he says.

Directors believe the properties are worth at least the £2.35m value placed on them in the accounts, and say that at balance date net tangible assets stood at £1.83m, or £1.76 per 50p share.

During the year a property in Middlesex Street, E. was sold for £825,000 against a book value of £0.8m, and £138,513 of the 1975 provision was apportioned at the time of the sale, leaving the balance of the provision at £68,473.

As previously reported taxable profit for the company for 1977-78 rose from £58,523 to £82,588.

Associated Leisure expansion

Management accounts for the first 20 weeks of the current year showed that Associated Leisure was trading at a "highly satisfactory level," said the chairman, Mr. N. Solomon, at the annual meeting.

The Board was confident that the progress would continue throughout the year.

Mr. Solomon said current trading trends and prospects in all parts of the business were good and he was especially pleased with the performance of the new acquisitions—the three hotels and the Berwick Holiday Centre—which was fully up to expectations.

Referring to the Royal Commission Report on Gambling, Mr. Solomon said: "So far as the Amusement Machine Industry is concerned, the report itself—and the subsequent comment on that report—must be regarded as favourable."

Glendevon revenue rise —pays 1.85p

Pre-tax revenue of Glendevon Investment Trust was ahead from £256,670 to £303,815 for the July 31, 1978 year and the dividend net per 25p share is stepped up to 1.85p against 1.65p, with a final of 1.1p. Also announced is an unchanged interim for 1978-79 of 0.75p.

Holders of the "B" ordinary shares will receive a capitalisation issue in "B" shares equivalent in asset value to the final dividend and the interim, but excluding any tax credits thereon.

Revenue available came out lower at £185,875 (£195,005) after tax of £117,940 compared with £61,674 last time which included a credit of £30,014 corporation tax overprovided in prior years.

Earnings are shown as 1.89p (2p) per share and 1.8p (1.89p) assuming full conversion of the "B" shares. And if the exceptional tax credit had not arisen in the 1976-77 year earnings would have been 1.69p (1.6p) per share.

Net assets are given as £14,516,761 (£11,805,455), equal to 140.3p (114.2p) per share.

Dividends absorb £181,404 (£159,924) leaving a balance of £4,471 against £35,081. The balance carried forward is £171,194 (£166,723).

Borelli Tea

Although turnover advanced from £2.19m to £2.92m taxable profit of Borelli Tea Holdings fell from £792,746 to £573,837 in 1977.

After tax of £450,480 (£594,702) net profit came out at £123,357 against £198,044 last time. Earnings per £1 share are shown down from 71.3p to 45.11p. The dividend is raised from 9p net to 10p.

L. Ryan up to £0.7m

WITH THE UK and Belgium both showing good increases group pre-tax profits of L. Ryan Holdings are up from £385,000 to £722,000 in the six months ended June 30, 1978.

Mr. Graeme Metcalf, chairman, reports that in the UK the planned profits have been achieved and he is satisfied that reasonable progress is being made. Much has been done to consolidate and improve this side of the business.

the business. UK profits were up from £184,000 to £348,00.

For Belgium he describes the profit rise from £201,000 to £374,000 as encouraging but warns that adverse factors may affect the ability of management to maintain the improved profit level for the rest of the year.

In the UK the additional site is well advanced and will be operating before the end of the year. Implementation of the process of "Froth Flotation" to tip material is also currently undergoing commissioning and evaluation both in the UK and Belgium.

In Belgium planning consent has been delayed on the next envisaged site and it could be some time before a further site is constructed and operational, says the chairman.

Mr. Metcalf points out that the price of coal in Belgium also affects the outlook for the immediate future. In particular Australian and South African coal surplus to world requirements, assisted by cheap freight rates, is reaching the European market and a further factor is the weakness of the U.S. dollar and its effects on oil prices.

Despite this the chairman is confident that the operations in Belgium can continue to show a reasonable return and he is hopeful that the group's interests as a whole can continue on a planned growth rate.

Providing for tax and minorities the attributable balance emerges ahead at £389,000 against £211,000 with earnings per 5p share going up from 0.88p to 1.2p.

There is no dividend. In March the chairman said that dividends would depend on future profitable trading and on prior provision for pre-receivership creditors. A receiver was appointed to the company in March, 1975, but receivership was ended in December, 1977, following a restructuring of the group's capital and other financial arrangements. The last payment was 0.25p net in respect of 1974.

Staffordshire Potteries at £1.25m with boost from Kilncraft expansion

[PR]E-TAX PROFITS of Stafford[sh]ire Potteries (Holdings) [ad]vanced 16 per cent from £1.07m [to] a record £1.25m in the year [to] June 30, 1978, on a 13 per cent [sa]les rise from £9.6m to £10.82m.

The directors say that the fact [th]at these results were achieved [in] spite of unsettled trading con[di]tions follows from the company's [de]cision to expand its Kilncraft [di]nnerware production.

At the interim stage the direc[to]rs reported an increase to [£4]76,000 (£317,000) and said they [an]ticipated satisfactory results [fo]r the full year. But they added [th]at exchange rates for sterling [m]ight lead to pressure on profit [m]argins.

They now say that general [tr]ading conditions at home and [ov]erseas have been and remain [un]settled, although there are en[co]uraging signs of an increase for [th]e group's product ranges in [No]rth America and Western [Eu]rope.

Sales for the current year, they [sa]id, are satisfactory and the [di]rectors believe the group will [ag]ain make progress in certain [ke]y markets. The group is in a [po]sition to capitalise on new [op]portunities or any increase in [de]mand which may occur.

Net profit for the year came [ou]t at £1.04m (£907,000) after tax [of £2]02,000 (£165,000) giving earn[in]gs of 23.5p (20.8p) per 25p [sh]are. The net dividend is lifted [to] 3.95p (3.537p) with a final of [2.]85p.

Export sales were up by 12 per cent to £2.89m.

The capital investment continues with a further £1m planned for the 1978-79 year. This will bring the total to over £3m since 1976 and will provide the group with the most modern manufacturing facilities available.

The expansion of the dinnerware manufacturing plant is now beginning to bear fruit, the directors say, and increasing profits are accruing from this investment.

	1977-78 £000	1976-77 £000
Sales	10,819	9,565
Profit before tax	1,246	1,072
Tax	202	165
Net profit	1,044	907
*Extraordinary debit	25	†16
Minority interests	—	1
Attributable	1,019	890
Interim dividend	.56	50
Proposed final	119	104
Retained	844	736

* Exchange translation differences. † Adjusted.

Medens Trust optimistic

The higher volume of new business has enabled Medens Trust to absorb the inevitable increase in overhead expenditure and, although average money costs may well be higher than last year, the directors are reasonably optimistic of some further increase in profitability in the current year, says Mr. J. A. K. Collins, the chairman, in his annual statement.

As reported on August 22, pre-tax profits of the unquoted instalment finance and banking group jumped from £230,177 to £463,386 for the June 30, 1978 year, on turnover up 58 per cent at £13.97m. Borrowing costs were down from £690,695 to £619,180 and revenue reserves emerged 22 per cent higher at £533,359.

Group borrowings rose from £5.34m to £8.28m with deposit account balances at £2.4m (£2m). The chairman says the company has negotiated new lines of medium-term credit with institutional lenders, which include a two-year facility of £4m from an institutional shareholders' syndicate and other city houses and three-year facilities totalling £1m from individual financial organisations.

Greenfield Milletts

During the next twelve months, Greenfield Milletts, the leisurewear and camping group, is to increase its retail sales area by more than 20 per cent.

The group has 51 branches trading in Southern England and the Midlands. It is now crossing into Scotland, and expects to have ten stores opening there during the next 18 months.

By early next year, six new branches are to be opened, making a total of 57. In addition the sales areas of six existing shops are being doubled in size.

£2.33m for Land Investors

Pre-tax profit of Land Investors rose £620,851 from £1,710,178 to £2,331,029 for the March 24, 1978 year.

Tax took £1,208,305 against £935,820 leaving a net profit ahead at £1,122,724 compared with £774,358 last time.

The dividend is effectively increased from 0.6667p to 1p net per 25p share with a final of 0.8p.

GLOBE TRUST CONVERSION

£4.31m nominal of Globe Investment Trust's 6¾ per cent convertible unsecured loan stock 1985/90 has been tendered for conversion into ordinary stock and £1.24m nominal of its ordinary stock falls to be allotted in respect of such conversion.

MINING NEWS

Impala will not join any platinum cartel

BY PAUL CHEESERIGHT

IMPALA PLATINUM, the second of the major South African producers, has ruled out the possibility of the group participating in any cartel to regulate sales and force up metal prices. Over 70 per cent of world platinum reserves are in South Africa.

In his annual statement, published today, Mr. Ian Greig, the chairman states that the elimination of competition would result in South Africa and Bophuthatswana, the homeland where Impala's mine is situated, earning less, not more, from platinum because many consumers prefer to have more than one source of supply.

Mr. Greig's statement is a response to suggestions in South Africa that local producers should form an organisation to selling platinum on the lines of the De Beers Central Selling Organisation for diamonds.

He lists the merits of competition between producers and points out that platinum, unlike gem diamonds, is subject to changing industrial applications. The industry is best served by a direct relationship between producer and consumer, he says.

Mr. Greig doubts whether the South African producers would have been able to gain entry to the U.S. and Japanese markets for platinum in car exhaust systems without there being competition between producers.

As far as prospects for the current year are concerned Mr. Greig expects dividends to be at least maintained, provided there is no sharp deterioration in market conditions. He makes this prediction despite the group's extra tax burdens.

In the year to last June Impala's dividend payments totalled 80 cents (47.8p) and net profits were R33.4m. (£19.95m). Yesterday shares in Bishopsgate, the vehicle for private investment in Impala, were 97p. Impala is controlled by the Union Corporation.

TECK EARNINGS IMPROVE

Higher zinc prices have helped Teck Corporation, the Vancouver group, to improve its financial position. In the quarter to the end of June, net earnings [illegible] C$ 1.3m (£580,175) or 19 cents a share, against [illegible] in the two preceding quarters, reports John Soganich from Toronto.

Teck's zinc interest is through its 63 per cent equity in Newfoundland Zinc.

Despite this recent recovery, Teck's earnings are still running behind those of 1976-77. In the nine months to June consolidated net income from operations was C$2m, or 29 cents a share, against C$2.7m, or 40 cents a share, in the same period of the previous financial year.

Uneven output at MMC mines

MALAYSIAN tin mines are having only partial success in raising production to take advantage of the recent high level of metal prices. This is clear from the latest output figures released by the Malaysia Mining Corporation.

Although output at Berjuntai, the largest of the producers, was nearly the same in August as in July, cumulative production over the first four months of its current financial year at 1552 tonnes of tin concentrates is well behind the 1659 tonnes achieved in the same period of the previous year.

Among other producers in the group, Southern Kinta with 681 tonnes from five months of production against 724 tonnes in the comparable period last year is also running behind. But there have been increases in cumulative totals at Sungei Besi and Tronoh.

After five months of the financial year Sungei Besi's total stood at 852 tonnes against 759 tonnes, while the comparable figures for Tronoh after eight months were 1621 tonnes and 1453 tonnes.

Monthly comparisons are set out in the accompanying table:

	Aug. tonnes	July tonnes	June tonnes
Aokam	97	110	107
Ayer Hitam	110	137	158
Berjuntai	412	419	381
Kamunting	29	32	37
Kramat	30	28	34
Kuala Kampar	18	17	16
Lower Perak	27	24	22
Malayan	308	272	329
Sthn. Kinta Cons.	125	146	121
Sthn. Malayan	192	176	165
Sungei Besi	203	193	161
Tongkah Hbr.	40	42	42
Tronoh Mines	197	214	177

BRIGHT OUTLOOK AT KAMUNTING

The outlook at Kamunting Tin Dredging, the Malaysian tin producer, is brighter for the current year to the end of next March than in 1977-78, Mr. Junus Sudin, the chairman, stated in the annual report.

But his optimism is conditional on leases being renewed—the company has long outstanding applications for mining titles—and the tin price remaining ta current high levels. The shares were unchanged yesterday at 79p.

Esso to develop Saskatchewan uranium find

ESSO MINERALS, a subsidiary of Exxon's Canadian unit, Imperial Oil, will start developing a significant new uranium deposit in northern Saskatchewan before 1984, reports Robert Gibbens from Montreal.

The deposit is at Midwest Lake, in the north of the province. Drilling reports, which have been intermittently available since last April, had suggested a major discovery which would enhance Saskatchewan's reputation as a major new uranium area.

Mr. Robert Pfister, the chief of Esso Minerals, said yesterday that the development costs would be in excess of $200m. Although evaluation of the prospect continues, he estimated that it contained 100m lbs of uranium oxide. The average grade is more than 2 per cent for each tonne of ore.

Earlier reports had made it clear there was a wide variety uranium concentration in the ore. Of 100 holes drilled, 70 had revealed signs of radio-active material, with concentrations of uranium ranging from ½-lb to 500lbs per tonne.

In a Monday announcement, the ore body was given a length of 5,800 feet and a width of up to 600 feet, but this is considered in the industry to be a conservative estimate.

The Midwest Lake deposit is 50 per cent owned by Esso Minerals. The other shareholders are Numac Oil and Gas and Bow Valley Industries, two Calgary groups, each with 25 per cent.

MINING BRIEFS

GOLD AND BASE METAL MINES—At the AGM the chairman stated that: (1) the Central Bank of Nigeria had not yet fixed a price for the sale of 60 per cent of the Subsidiary within the terms of the Nigerian Enterprises Promotion Decree. (2) Tin production for the first seven months of the year was 173 tonnes. (3) Net asset value of the company per share was approximately 30p but the assets were almost entirely in Nigeria.

BIDS AND DEALS

St. Piran fights on four fronts

BY JAMES BARTHOLOMEW

THE STRUGGLE by Saint Piran to frustrate Comben Group's bid for Orme Development continued on four fronts yesterday.

Saint Piran

- appealed against the City Take-over Panel's decision that it may only buy up to 28.2 per cent of Orme without triggering a bid
- bought another 330,000 Orme shares to bring its stake up to 26.7 per cent
- placed advertisements in several news papers
- objected to Mr. Bob Tanner and Mr. Peter Whitfield writing to shareholders using Orme Developments' notepaper.

The full Take-over Panel will meet on Thursday to hear Saint Piran's appeal that it should be allowed to buy up to the normal 29.9 per cent of Orme without triggering a bid. Saint Piran was given a special lower level of 28.2 per cent after it had previously breached 29.9 per cent with parties deemed to be acting in concert.

The lower limit was set after Saint Piran had picked up the extra shares.

Saint Piran's purchase of 330,000 shares yesterday came after it bought 500,000 shares on Monday. The price on Monday was 58½p, but the price paid yesterday is believed to have been lower. The shares opened unchanged yesterday at 53½p.

Saint Piran is consulting the solicitors of Orme Developments, Clifford Turner, about the use by Mr. Tanner and Mr. Whitfield of Orme Development's notepaper to write to Orme shareholders urging them to accept the Comben bid. Mr. Tanner and Mr. Whitfield used the paper with the consent of the four other directors who agree with them that the Comben bid is reasonable. The six together are opposed by the three directors who are nominees of Saint Piran.

BARLOW RUBBER COMPANIES TO MERGE

Six companies in the Barlow group of rubber companies are to be merged to create a new plantation company which would have a market capitalisation at current prices of between £30m and £40m.

The companies are Bradwell (FMS) Rubber Estate, Chersonese (FMS) Estates, Majedie Investments, Muar River Rubber Company, Sekong Rubber Company and Sungei Krian Rubber Estate.

The merger is the latest in a long line in the plantation business where a multitude of small companies and cross-holdings between them used to be the norm.

The Barlow merger is being done prior to Malaysianisation to make that process simpler. Other advantages quoted by a spokesman were elimination of conflicts of interest, simplification of administration and greater marketability of the shares. The Barlow family is expected to own less than 50 per cent of the equity of the new company.

Shares of the six companies all rose on the stock market yesterday with Chersonese for example gaining 7p to 77p.

The amalgamation has been announced at this early stage so that valuations of the estates can be carried out without causing speculation, said the spokesman.

Details of the merger are expected to be sent to shareholders towards the end of this year.

Good start for Rothmans

By Andrew Taylor

The initial response from shareholders to Rothmans International's proposed acquisition of a major stake in its Canadian sister company has been overwhelmingly in favour of the deal according to Rothmans.

The group, which is proposing to buy an 85.6 per cent stake in Rothmans Pall Mall Canada, said that stockholders controlling more than 15 per cent of the votes to be cast under the terms of the acquisition had now replied to the company. Voting was running at more than ten to one in favour of the deal.

Meanwhile, the group, in what appears to have been a reassuring meeting, saw a number of its institutional shareholders earlier this week. This followed reports that some institutions had expressed disquiet about the terms of the Canadian purchase.

The meeting attended by about 16 institutions — including a number of major shareholders—was arranged by stockbrokers Kemp Gee and had been planned for some time.

Rothmans told the institutions that its plan to meet the cost of the deal through Swiss Francs deposited in an Escrow account in June was less expensive than going through the normal currency exchange market, and adequately covered its forward position.

The proposed acquisition is subject to shareholders' approval at an EGM on September 19, but proxy votes must be in 48 hours ahead of the meeting. Dr. Rupert Anton, whose interests control 50 per cent of the votes in Rothmans International and the 85.6 per cent Rothmans Pall Mall Canada, will not take part in the vote.

Institutions stand firm over Pearson terms

The argument between S. Pearson, Pearson Longman and the institutions opposed to their merger, is still continuing.

Last night the four fund managers sent out yet another letter to other institutions in reply to that by Pearson Longman on Monday. In it they say that the company's further explanations of some of the points raised in the institutions' first letter have not made them change their minds.

The offer is inadequate, they say, and they intend to vote against it.

They raise a number of points as to why, in their opinion, a more attractive offer should be made by S. Pearson. In the main they reiterate their belief that Pearson Longman's profits appear to be rising more strongly than was discounted in the market before the bid, and that because of this the timing of S. Pearson's bid was opportune.

S. Pearson's higher p/e ratio in the market, they say, is a direct result of the higher dividends it pays. Pearson Longman will probably be able to increase its dividend this year by more than 10 per cent under the new Dividends Act. Under the Act, profit growth will be a factor in the level of dividend payment permitted, and the funds believe Pearson Longman's profit growth appears to be faster than S. Pearson's.

Mr. Michael Hare, chief executive of S. Pearson said last night that he was disappointed that the argument was still going on. He was not certain, however, the company would reply to this new letter.

"At a certain point arguing over small issues becomes negative. We want shareholders to keep a view of the whole offer which is a good one. If the scheme does not go through, that will be a disappointing outcome for both sets of shareholders."

Mr. Hare took issue with the institutions' claim that the dates chosen for comparing the two companies' share prices were not equable. He said that whatever dates were chosen the offer represented a substantial capital premium.

He also pointed out that the offer represented a 44 per cent increase in shareholders' income. It was unlikely that Pearson Longman would be able to match that through any increase in its own dividend independent of the bid.

The two sides also clash over the relevance of the institutions' analogy with other recent bids for minority stakes. The institutions say these have set a precedent for more generous terms when buying out minorities. S. Pearson says that they are irrelevant to this case because the former were cash offers while Pearson Longman's shareholders would retain a continuing interest in their company.

KAYE STEPS UP BID FOR BONSER

The Kaye Organisation, which runs the Lansing Bagnall and Henley forklift truck business, is to increase its cash offer for the outstanding shares in Bonser Engineering by 2p to 45p—valuing the company at £2.7m.

A bid was triggered after Kaye bought a 43 per cent stake in the Bonser forklift concern, from the Bonser family trusts, at 43p a share.

Mr. Carl Duerr, chief executive of Bonser, said that the higher offer to the remaining shareholders was to compensate for the loss of a final dividend and also because the other shareholders would not be due to receive their money from the offer until November, four months after the Bonser family interests.

Bonser said that it intends to recommend the new offer. Stockholders representing a 10.8 per cent interest had already agreed to accept Kaye's original offer and are expected to accept the new one.

Norcros paying £1.5m for Ward crane interests

Adamson Butterley, the Norcros subsidiary, is to pay around £1.5m for the crane interests of Thos. W. Ward and as a result become one of Europe's major manufacturers of overhead cranes.

The importance of the deal to Adamson is that in future it will be able to offer a complete range of overhead cranes and material handling equipment when tendering for home and international contracts. Overseas customers in particular are more and more demanding such "packages."

Mr. Colin Griffiths, managing director of Adamson, said yesterday that the company had tried to solve the problem with joint venture projects but these were not very successful. So Adamson approached Ward about six months ago.

Norcros is buying John Smith (Keighley) which employs around 260 people and makes a wide range of electric overhead travelling cranes for the steel, cement, foundry and scrap metal industries; Butters Cranes, employing 300 at Glasgow where it makes jib and derrick type cranes and grabs for shipyards and port authorities; and Abbot Engineering, also of Glasgow, with 30 employees and which specialises in gear cutting.

Mr. Griffiths said he hoped there would not have to be any cut-backs in employment. "Our aim is to expand the companies."

The pre-tax profit of the three will be about £600,000 for the year to September 30. They will add about £8m of turnover to Adamson's £28m annual sales.

The deal is in line with recommendations from the National Economic Development Office's industrial strategy programme that the UK crane makers needed to rationalise themselves. But Mr. Griffiths maintained this had not sparked off the idea of the acquisitions. It was the pressure for "package" deals from export customers.

OLIVER RIX

OLIVER RIX is to be asked to postpone Friday's special shareholders' meeting called to ratify the proposed merger with Manchester Garages.

Mr. Harry Wakely, leader of the dissident shareholders, said yesterday that he would be taking round a formal request for postponement to the company today.

The dissidents want more time in which to prepare a full, detailed set of objections to the merger and to circulate it among all shareholders.

Reliance Knitwear plans for diversification

A PLAN for diversification and acquisition is under way at the Reliance Knitwear Group which Mr. R. E. Newman, the chairman, confidently expects will enable the group to achieve substantial growth in the long-term.

In 1977-78, the group's first year as a fully independent company, a number of steps were taken to re-orientate and re-organise the business. Reli-Knit and James Macfarlane (Kilmarnock) were closed; Reliance Sportswear was set up and the group acquired Barralan, Leicester.

The chairman explains that Reliance Sportswear was established after investigation confirmed the potential growth of the sportswear market and the scope for another well promoted brand name. The new brand Viga was launched in April and so far the results are very encouraging. It is unlikely that RS will contribute to current year profits but long-term the chairman believes that this diversification will make the group less dependent on the textile cycle.

Barralan, Leicester's product range is complementary to that of Viga. Mr. Newman believes that this new offshoot has considerable potential for expansion and should make a useful contribution to profits in the current year.

In adition to these steps the group has recently agreed to acquire a company which makes tents and sleeping bags as a further important step in the diversification into other leisure areas and further acquisitions are being sought in this area.

The chairman reports that consideration is also being given to the manufacture and marketing of protective and safety clothing as a further diversification and a number of possible acquisitions are being evaluated.

In the main operating offshoots order books are currently good and the main problem is finding enough operatives to take advantage of the level of demand.

However, the chairman does not believe that this high level of demand will continue and the group's move into other areas, particularly leisure, will stand it in good stead. He feels that the group's future consists of having a strong and profitable textile division but also to have significant involvement in related growth areas.

In 1977-78, a year of "essential consolidation and re-organisation" the group achieved an increase in profit from £781,337 to £825,656.

Referring to the closure of Reli-Knit the chairman explains that this company has been a continuous source of problems since formation and never made a satisfactory return. At Macfarlane the margins on knitted shirts were insufficient to enable this company to operate at a profit and the situation has deteriorated in recent months.

The closures resulted in extraordinary costs of over £400,000. In addition profits were adversely affected by the setting up costs of Viga.

It has been decided to write off goodwill over a three-year period. At the year end this item stood at £1.24m. Shareholders' funds showed an increase of 17 per cent and net assets per share now stand at 56.2p.

Meeting, Halifax, October 5 at noon.

Banro sees peak for year

AN INCREASE in taxable profits is announced by Banro Consolidated Industries from £343,600 to £496,718 for the June 30, 1978, half year. And the directors say that present indications are that results for the full year should be ahead of the record £911,502 for 1977.

Turnover was up from £7.15m to £8.06m. Profits were s[illegible] to corporation tax of £[illegible] (£185,540) leaving net pro[illegible] £223,618 against £158,060.

The net interim divide[illegible] effectively raised from 0.4[illegible] to 0.527p per 20p share [illegible] £25,560 (£22,770)—last adjusted final was 1.6845p.

The principal activities [illegible] group are processing of me[illegible] coil form, electroplating, manufacturing of cold [illegible] sections, motor car, comm[illegible] components, etc.

Astbury forecasts £950,000

THE DIRECTORS of Astbu[illegible] Madeley (Holdings) an[illegible] that pre-tax profits for th[illegible] 1978 year will be not les[illegible] £950,000 compared with last record £782,000.

They also announce an in[illegible] in the interim dividend 0.38744p to 0.5p net per 5p and they intend to recomm[illegible] final of 1.5p (0.768p) in con[illegible] proposed rights and scrip. The Treasury has given app[illegible]

Pre-tax profits for the fir[illegible] of 1978 advanced 52.7 pe[illegible] from £275,000 to £420,000 o[illegible] over ahead from £3.35m to [illegible] Net profit came out at £[illegible] (£130,000) after tax £[illegible] (£145,000) giving earnings o[illegible] (3.28p) per share. Profits i[illegible] a contribution from Birmi[illegible] Steel Company, acquire[illegible] January 3, 1978.

The directors propose a [illegible] issue of 5p ordinary shares [illegible] basis of two-for-one; a con[illegible] tion of existing ordinary into 20p shares; and a right[illegible] of 20p shares on the basis [illegible] for-four at 30p.

In order to effect these the authorised capital is increased from £300,0[illegible] £1,250,000.

OTOROLA

Tuning into the European wavelength

BY MAX WILKINSON RECENTLY IN COLORADO

TOROLA'S DECISION to t a listing on the London k Exchange is a clear indica- of its intention to shift its re of gravity still further to- ds Europe, both in sales and luction.

he listing follows confirma- from the company that it is otiating with Thomson CSF rance for the setting up of a t semiconductor operation. indications that production he UK will be expanded.

f its total sales of $1.8bn last , about 30 per cent was out- the U.S., both from direct orts and production overseas. ly the largest market out- the U.S. is Europe, although orola is also quite well blished in South East Asia.

ealings in Motorola's common k start in London today. orola's shares are also listed the New York Stock Ex- ge; based on the September iarket price of $51.50 per e, the company's market talisation is $1.6bn.

r. William J. Weisz, Presi- t of the company said in don yesterday that one of the ives for seeking a listing was help the morale of UK loyees.

Many of our people like to h the share price of the pany, and we like to encour- them to buy stock if they t. Of course they can look he New York prices, but a London listing will make it that little bit easier for them."

The move probably also reflects a new feeling of confi- dence in the company. It now appears to have a strong base for future growth over a quite wide product line after a lengthy period of uncertainty.

The two main problems have now been overcome. The loss making consumer operation, which made television sets, was sold to Matsushita in May 1974 for $100m, although it was not until January last year that legal arguments about the sale price were settled.

The second problem had been in the semiconductor division, which had severe difficulties in catching up with the latest Metal Oxide Semiconductor (MOS) technology, for integrating large numbers of transistors onto tiny chips of silicon.

In the early 1970s, Motorola realised that it must produce its own MOS designs of high density computer memories and micro- processors (computers on a single chip). Even when the designs were completed, how- ever, the company was unable to match the productivity of its rivals, since too large a propor- tion of its chips were defective and had to be thrown away.

The company was able to ride out the substantial losses incurred in its MOS integrated circuit plants, partly because of the continued profitability of its discrete semiconductors (indi- vidual transistors, for example).

The problems were reflected in a fall in profits in 1975 to $86m compared with a record of $160m two years earlier.

However, by 1976, profits had recovered to $167m, and the com- pany was beginning to emerge as a major force in the market for modern igh desn m9 for modern high desnity inte- grated circuits.

Motorola is much the largest supplier to the $1bn U.S. market for communications equipment. Its principal competitors, General Electric and RCA, have combined sales only about one-third as large

Now, Motorola ranks as the second largest producer of semi- conductors after Texas Instru- ments and one of the leading suppliers of high technology com- puter memories and micropro- cessors. Its strength in these new products is underpinned by two major contracts with Ford and with General Motors for the development of microcomputer engine controls.

Semiconductor production, which contributed $80m in operating profit last year on sales of $580m still accounts for only about a third of the com- pany's total turnover.

This is a healthy position for the company to be in in view of the notorious volatility and uncertainties of the high tech- nology semiconductor market. While many of its largest com- petitors like, National Semi- conductor and Intel are trying to integrate forward into the manufacture of equipment and computer systems, Motorola already finds itself with a dominating position in the market for communications equipment and a healthy busi- ness in Government and defence electronics.

Communications equipment, which accounted for $821m in sales last year includes produc- tion of car radios, radio tele- phones, two way radio and pagin gequipment. Motorola is much the largest supplier to the $1bn U.S. market for these products, and it has a strong strategic lead over competitors because of the network of base stations which it operates. Its main competitors, General Electric and RCA have combined sales of only about a third of Mtoorola's and narrower product ranges.

From its strong position in U.S. radio communications, Motorola is now turning its attention to Europe, where the total market is estimated at about $400m, of which it has a modest 10 per cent share at the moment.

Meanwhile, Motorola will be pinning a lot of its hope on the expansion of the market for semiconductors in the automotive market for engine control, dash- board display, anti-skid control and a host of other possibilities.

Since many of these circuits will be specially designed for the car companies, Motorola fore- sees a need to expand production of semiconductors in Europe. Its plant in East Kilbridge, Scot- land, for example, is likely to increase from the present 500 employees to perhaps 1,000 over the next few years. The current discussions about a joint venture with Thomson CSF in France also follow from the same general view that semiconductor production for the European market will increasingly need to be located in Europe.

Hanes shares leap on talks with Consolidated Foods

BY STEWART FLEMING

NEW YORK, Sept. 12.

HANES CORPORATION, a North Carolina-based textiles group, said today that it is engaged in merger discussions with Consoli- dated Foods which has bought 20 per cent of Hanes stock for $40m.

Consolidated Foods is best known for its Sara Lee confec- tionery and Shasta drinks but is a diversified food processing com- pany with operations in frozen foods, restaurants and house- wares.

Hanes shares, which had been trading around $36 a share, leapt to $50 on the New York Stock Exchange following the announcement, even though Con- solidated had no comment on Hanes' statement that the two companies were in merger talks.

Last year Consolidated Foods had sales revenues of $3.5bn and net income of $10m. Hanes, which makes women's hosiery such as Panty Hose as well as men's and boys' underwear, had sales revenues of $414m and net income of $20.8m. The com- pany has been growing rapidly in recent years, with clever marketing making its brands fist or second largest in women's hsiery, men's and boys' under- wear.

Hongkong and Shanghai seeks formal approval

NEW YORK, Sept. 12.

HONGKONG AND SHANGHAI Banking Corporation has formally asked the New York State Banking Department for permission to exercise control of Marine Midland Banks.

Approval is needed if the Hong Kong bank is to go ahead with plans to acquire a 51 per cent interest in the Buffalo N.Y.-based bank holding company.

The application shed some new light on the extent of Hongkong and Shanghai's banking reach, but left veiled other aspects, such as the details of its so-called hidden reserves.

In one area, for example, Hongkong and Shanghai dis- closed in a public portion of the application that it has an indirect interest in a Rhode Island in- surance company. But the name of the insurer was not disclosed. The document stated that Way- hong Holdings a New Hebrides subsidiary, owns 20 per cent of Mico Equities, a Philippine com- pany, which in turn holds a controlling interest in the insurer through a foreign sub- sidiary.

The document was more secre- tive about another indirect hold- ing in the U.S the public papers simply noted its existence and said that details were submitted in confidential papers filed with Bank Regulators.

Hongkong and Shanghai was more explicit about its non-U.S. subsidiaries, naming more than two dozen and giving asset and net worth figures. It also listed several concerns in which it has minority interests.

Separately, the filing stated that the $100m Marine Midland received from Hongkong and Shanghai earlier this year in payment for a note was being kept in an offshore account.

The estimate of HSBC assets indicated that Hongkong and Shanghai assumed that Marine Midland would continue to pay dividends at the quarterly rate of 20 cents a share until 1981. It listed under assets almost $1.9m as dividends receivable. That would represent three months' dividends on the com- pany's proposed 51 per cent interest.

The actual assumptions made by Hongkong and Shanghai to prepare the estimate were not made public, but they were sub- mitted to Banking Regulators in confidence. In the public esti- mate, the Bank listed as $275m its interest in Marine Midland. It could not be determined how that figure was arrived at. In material previously made public, Hongkong and Shanghai's pro- posed investment in Marine Midland was put at about $262m.

Elsewhere, Hongkong and Shanghai group estimated it would have total assets of more than $10bn at the end of 1981, after it acquires Marine Midland. Currently, such assets are about $19bn. Of the total 1981 assets, about $12bn would be due to the addition of Marine Midland, while another $9bn would be attributable to growth.

Reuter

Sweden seeks to refinance $1bn loan

By Francis Ghilès

AT A meeting to be held in Stockholm today, the banks which managed the $1bn loan to the Kingdom of Sweden in March, 1977, are to be asked by Sweden's Central Bank to refinance this loan on conditions which most of them will strongly resist. Sweden is asking for $1bn for 10½ years on a spread of ⅝ per cent throughout. Terms of last year's loan include a seven- year maturity and a split ⅞-1 per cent spread. Sweden is also sug- gesting it should pay no man- agement fee at all: last time round this fee amounted to ⅛ per cent.

The original management group included three Scandi- navian banks (PK Banken, Skan- dinaviska Enskilda Banken and Svenska Handelsbanken) Banque Europeenne de Credit, Bankers Trust, Canadian Imperial Bank of Commerce, Commerzbank, Chemical Bank, Deutsche Bank, Dresdner Bank, Royal Bank of Canada and Westdeutsche Lan- desbank.

Banks are split as to the con- ditions on which they would be prepared to refinance last year's loan but they appear to be agreed that if Sweden succeeds in eliminating the management fee, this will set a precedent and open the floodgates to other demands of this kind.

So far this year Sweden has raised $757m in the form of medium term loans, a figure far below the amount for the equiva- lent period last year ($1,218bn).

Jewel shows steady rise

NEW YORK, Sept. 12.

JEWEL COMPANIES, the food and supermarkets group, an- nounced net profits for the 16 weeks to August 12 of 94 cents against 67 cents last time. Total net earnings rose to $10.9m from $7.78m on sales of $1.02bn com- pared with $978.7m.

For the 28 weeks to date, earn- ings of $1.56 a share compare with $1.16, and total net of $18.12m with $13.41m. Sales were $1.79bn compared with $1.70bn and net total includes an unrealised foreign currency translation loss of 1 cent a share against a gain of 4 cents in the 16 weeks, and loss of 1 cent against a gain of 1 cent in the 28 weeks.

It also includes equity in earn- ings of Aurrera SA of 18 cents a share against 5 cents in the 16 weeks and 33 cents against 11 cents in the 28 weeks. Reuter

BankAmerica outlook bright

NEW YORK, Sept. 12.

KAMERICA CORPORATION nates that introduction of accounts (Negotiable rs of Withdrawal) in Novem- will reduce per share earn- by 7½ cents during the first the vice-chairman Mr. nd Prussia said yesterday.

said that the impact on ings is not insignificant, but represents less than 3 per of BankAmerica's total cur- earnings, and is an accept- level.

revealed plans for NOW accounts in a speech in which he also predicted only a further slight irse in the prime rate and the Federal funds rate for the rest of the year.

The company is in the midst of an outstanding year and per share earnings for 1978 will be strong, said Mr. Prussia.

He made no specific forecasts of how earnings this year would compare with last year's operat- ing profit of $2.71 a share.

The market generally esti- mates that BankAmerica's earn- ings this year will rise to around $3.20 a share. Mr. Prussia made no comment on these estimates.

Mr. Prussia states that earn- ings so far in the third quarter are in the 26 per cent range of rate of gain posted for the first half. However, he declined to predict third quarter earnings. In last year's third quarter, the bank earned 76 cents a share in operating income.

He warned that earnings gains in the second half could be slower than the first half in the event of any serious downturn in the U.S. economy. An eco- nomic downturn would affect the rate of profit gain in 1979. He declined to be more specific.

BankAmerica is not concerned by the substantial growth in Califronia real estate, which has now become a $100bn industry.

Inflation in California housing prices will moderate in the next year, thinks Mr. Prussia and he estimated that BankAmerica now has a 10 per cent share of the Califronia housing market.

On the NOW accounts, Bank- America does not believe the U.S. Savings and Loan League suit to prevent them will win, and, estimated that 20 per cent of BankAmerica's customers in terms of dollars, will transfer to NOW accounts in the first year.

He does not expect the Federal funds rate to rise higher than 8½ per cent and the prime rate higher than 9¼ per cent. He was not even sure that the prime rate will hit 9¼ per cent.

BankAmerica is expecting a moderate slowdown in the U.S. economy during the next year, but no recession.

Reuter

TXIA to press bid

Texas International Airlines (TXIA) is to pursue its applica- tion to the Civil Aeronautics Board (CAB) to acquire control of National Airlines, for which Pan American World Airways has also made a bid, our financil staff writes. Mr. Frank Lorenzo, president of TXIA, believes that the CAB will turn down Pan Am's offer and will approve his company's proposal. TXIA's sub- mission to the CAB asserts that the merger of Pan Am and National may violate anti-trust laws.

Motor groups file suit against FTC

By John Wyles

NEW YORK, Sept. 12.

THE U.S. motor industry's simmering resentment at a broad Federal Trade Commis- sion anti-trust investigation has spawned a Federal Court suit designed to block further inquiries.

General Motors, Chrysler and American Motors—signficantly not Ford Motor—have filed a suit claiming that the investi- gation is violating their consti- tutional and statutory rights. The FTC probe, started in August 1976, was to examine the motor industry's economic structure as well as the eco- nomic performance of both domestic and foreign manufac- turers and distributors. Among other things it was to focus on whether breaking up General Motors, by far the largest com- pany, would be of benefit to consumers.

However, the companies have become increasingly con- cerned by the apparent lack of direction in the FTC's investigation and they have claimed that the Government agency has been on a "fishing expedition" which has cul- minated in a batch of broad subpoenas which were issued to all of the companies on July 10.

In their suit, GM, Chrysler and AMC claim that these "vast subpoenas" seek docu- ments which are up to 32 years old and relate to vir- tually every aspect of their businesses.

They further claim that the documents contain trade secrets and proprietary infor- mation. Compliance, they add, would be extremely costly and GM says that it has spent $700,000 establishing that it would cost $110m to locate and produce the documents being sought.

Ford apparently shares these views, although for the moment it appears to be rely- ing on a direct approach to the FTC to see if the situation can be remedied.

Ford optimism on new range

DEARBORN, Sept. 12.

FORD MOTOR said its Ford division expects to sell 3.4m cars and trucks to make 1979 a record model year.

The vice-president and division general manager, Mr. Walter S. Walla said Ford dealers expect to recapture leadership of the small car market with a new Mustang and to increase by more than half its full-sized car sales.

Ford expects to sell 1.4m trucks for a 34 per cent share of the market and 2m cars for an 18 per cent market share in 1979.

Ford division's share of the small car market dropped to 11 per cent in the 1977 model year from 20.8 per cent in 1972, but has risen to 17.4 per cent in the 1978 model year

Ford expects to sell 970,000 small cars in 1979. About 50 per cent of its sales for the current year to the end of August 42.8 per cent of sales were small cars.

The full-sized car market pro- vides the "greatest opportunity" in the coming model year. The division expects to hold its 1978 model share of more than 21 per cent of the mid-sized market.

EUROBONDS

Secondary market firm

By Our Euromarkets Staff

THE DM250m bond for the EIB was increased to DM 300m yester- day and priced at 99½ to yield 6.06 by lead manager Deutsche Bank. Meanwhile, the DM 100m bond for Petrobras was priced at par with conditions otherwise un- changed by the lead manager Westdeutsche Landesbank. Turn- over in the secondary market continued fairly strong with prices essentially unchanged.

Today, the Central Capital Market Subcommittee will meet in Munich to decide the calendar of new DM-denominated issues for next month. In view of the strength of the DM market in recent weeks the amount of new issues is expected to be above last month's figure of DM730m.

I nthe dollar market, the float- ing rate note for Enpetrol was priced at par with conditions otherwise unchanged. In the secondary market, the underton remained firm despite a slight hardening of short term rates and a nervous dollar. Prices moved up especially on long term good quality names which in some cases put on as much as ¾ of a point during the day.

The conditions of the new Itel bond were announced last night by the lead manager Kidder Pea- body: $25m for 12 years with an indicated coupon of 9¾ per cent. The bonds will have an average life of nine years if the pur- chase fund is fully utilised. Itel, a U.S. corporation which sells and leases computer equipment is no newcomer to this market. Its most recent outstanding bond, floated last March, is currently trading at 100¾-100⅞.

In the Canadian dollar sector prices fell by a quarter to three- eighths of a point on professional selling as a result of the an- nouncement that the Canadian bank rate was being lifted by half a point to 9½ per cent.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

CII - HONEYWELL BULL

Moving up-market in data systems

BY DAVID CURRY

PARIS, Sept. 12.

CII-Honeywell Bull, France's flag-carrier in the computer industry, is to set up a subsidiary specialising in complex data processing systems.

The main computer company is *essentially a producer of* standard equipment. Its chairman, M. Jean-Pierre Brule, explained that it needed to improve its expertise in the installation of special equipment demanded by certain clients. The creation of a special operation would respond to this need, he said.

The subsidiary will be set up by the end of the year, and it is envisaged that it could link up with a partner, French or overseas, specialising in complex processing systems, within 12 months.

CII-Honeywell Bull would be prepared to sell its Iris-80 computer to the Soviet news agency Tass in place of the Univac model vetoed by President Carter last month, the company's chairman said, but he pointed out that this was a political matter and the decision was up to the Government.

The subsidiary will have a capital of FFr 1m, and current and new projects in its field will be transferred to it by its parent company. Initial employment is put in the 80-100 range.

The move is the second enlargement of activity by the French computer concern this year. During the summer it decided to acquire a 60 per cent stake in the company R2E, a private concern concentrating on the manufacture and sales of micro-computers. The CII-Honeywell Bull sales networks are being made available to R2E which continues to have an independent existence, while the parent company gained the advantage of being able to offer products complementary to its own at the bottom of the range.

CII-Honeywell Bull is coming to the end of the programme of government subsidies designed to foster its creation following the French withdrawal from Unidata. The last payment will be made in March of next year. M. Brule said that the company was strictly on target with the plan.

The company expects good results for the second half, M. Brule said. He said that the results should be the same as last year or slightly higher.

First half rise in sales at Fagersta

By John Walker

STOCKHOLM, Sept. 12.

SALES during the first half of this year for Fagersta, the Swedish special steel group, amounted to SKr 792m ($180m), 15 per cent above the figure for the same half of 1977, which amounted to SKr 690m.

The pre-tax loss for the group in the first half of 1978 amounted to SKr 37m ($8m) compared with SKr 21m in the first half of 1977.

During the period under review the group's order intake increased and it was able to raise its prices, but this did not compensate for the increased level of costs.

Against this background, the concern is expected to show an increase in the result for the second half of this year. Group sales for the whole of 1978 are forecast to increase to SKr 1.6bn, compared with SKr 1.3bn in 1977.

Solid performance from South British Insurance

BY JAMES FORTH

SYDNEY, Sept. 12.

THE New Zealand-based South British Insurance turned in a *solid performance in the year* to June 30 with a rise in profit from NZ$11m to NZ$13.47m (US$14m). The dividend has been increased from 22 cents to 23 cents a share, and will be paid on capital increased by last year's one for five scrip issue.

The directors said that fire, accident and marine premiums, net of reinsurances, totalled NZ$176m compared with NZ$168m in the previous year, while life premiums, net of reinsurances, rose from NZ$16.3m to NZ$21.2m.

Income from investments increased from NZ$10.9m to NZ$13.4m, while underwriting profits rose from NZ$2.28m to NZ$2.9m. The directors said that underwriting profits were earned in all major territories.

In addition to the trading result, South British made a profit of NZ$3.6m from non-operating items, made up of NZ$5.8m for Australian tax adjustment credit, NZ$591,000 for asset realisation credit and exchange losses of NZ$2.78m.

CAIL boosts Howard Smith

By Our Own Correspondent

SYDNEY, Sept.

HOWARD SMITH, the shi[…] sugar, engineering and […] group, boosted earnings […] per cent in the half-ye[ar to] June, from A$ 3.1[…] A$ 4.8m (U.S.$ 5.5m) […] gain was entirely acco[unted] for by an increased con[tribu]tion from its New South [Wales] coal producer, Coal [and] Allied Industries, […] almost doubled its profit [in the] year to June, from A$ […] to a record A$ 10.78m.

Howard Smith increase[d its] stake in CAIL to 50 pe[r cent] during the period, after […] takeover bid, launched […] year with Conzinc Riot[into of] Australia, the local offsh[oot of the] U.K. mining house, Rio [Tinto-]Zinc Corporation, […] proved abortive.

The proportion of CAIL's [earn]ings included, after ded[ucting] dividends received from […] held by CAIL in H[oward] Smith, was calculated […] basis of 45.5 per cent to […] 30 and 50 per cent f[or the] May-June period. This h[ad the] effect of increasing the […] profit by A$ 1.5m. [The] directors pointed out th[at the] investment in CAIL had […] by A$ 10.4m during [the] period.

CAIL increased its di[vidend] from 12 cents a share […] cents. Howard Smith ha[s held] its interim dividend ste[ady at] 5 cents a share.

The directors warned tha[t they] do not expect the rate of […] increase to be maintain[ed in] the second half-year.

The main reason give[n was] serious strikes and wor[k bans] affecting the engineerin[g sub]sidiary, A. Goninan, a[s part] of an action by metal […] employees in the Ne[wcastle] district of New South W[ales].

Sharp gain at Carrefour

By Our Own Correspondent

PARIS, Sept. 12.

THE FRENCH hyper-market Carrefour has posted a sharp first half gain in turnover, which rose by 10 per cent from FFr 3.48bn to FFr 3.83bn ($870m). Pre-tax profits came out at FFr 160.2m ($36m) against FFr 118.6m before employees' profit participation is taken into account.

Including the FFr 10.4m gain realised on the sale of the group's stake in Distrimas-Belgique and the FFr 19m received in the way of dividend from subsidiaries (FFr 11m last year), the final pre-tax profit rose to FFr 189.6m.

Communist buys stake in bank

BY OUR OWN CORRESPONDENT

PARIS, Sept. 12.

THE communist millionaire M. Jean-Baptiste Doumeng, head of the commodity trading group Interagra, is to become a shareholder in Banque Stern a merchant bank in which the Banque Rothschild is currently one of the leading shareholders. M. Doumeng is the man responsible for the sales of subsidised EEC butter to the Soviet Union 18 months ago.

The Banque Stern, with a FFr 11m capital is about to embark on the second phase of its capital reconstruction programme, which will see some FFr 20m of fresh money brought in. A year ago the first phase was completed, with the Banque Rothschild holding 48 per cent the Stern family also 48 per cent and M. François Caries, the bank's chairman, 4 per cent.

It is not clear what the new shareholdings will look like although it appears that the circle will be widened beyond bringing in M. Doumeng. The Banque Rothschild will, in any event remain a leading backer of the Banque Stern.

M. Doumeng, who is 60, combines his entrepreneurial talents with a dedication to the Communist Party derived from his origins as the son of a poor farmer. The two main pillars of his empire are a farming co-operative venture based on Toulouse and his commodity trading group. He has collaborated with the Rothschilds in a cattle-fattening project a fruit and vegetable marketing operation, and in property development in Toulouse.

He claims his greatest coup was selling 2m tortoises to Sweden at 49 times their cost price.

Steady gain at Comeng

BY OUR OWN CORRESPONDENT

SYDNEY, Sept. 12.

COMENG HOLDINGS, the heavy engineer and rolling stock maker, lifted profits by 11.6 per cent, from A$8.7m to A$9.7m (U.S.$ 11.1m), in line with the directors' forecast at the half-way mark. The higher profit was achieved on a steady turnover of A$141m (U.S.$162m).

The dividend is held at 11 cents a share, though this represents an effective increase of 10 per cent on capital increased during the year by a one-for-ten scrip issue. Dividends over the past 10 years have grown at a compound rate of 13.5 per cent.

The directors attributed the gain in profit to a number of factors, including better earnings of Comeng and its subsidiaries, the inclusion of a full year's earnings from H. P. Gregory, acquired during 1976-77 and which showed an improvement, higher dividend income from Australian National Industries and an increased share of equity earnings of the foundry group, Bradken Consolidated.

During the year, Comeng and ANI jointly acquired the outstanding capital in Bradken, after a protracted struggle for control over recent years. At one stage during the struggle both Comeng and ANI ended up with a sizeable stake in each other. As part of the Bradken solution, the two companies equalised their interests in the other at just over 21 per cent. The Comeng directors said the improved contribution from ANI came partly from a higher dividend rate, and partly from the increased investment.

The directors said that they expected another successful year in 1978-79.

Earnings per share, adjusted for the scrip issue, rose from 44 cents a share to 48 cents. The operating profit to sales ratio improved from 6.2 per cent to 6.9 per cent, while the return on shareholders' funds was 17.5 per cent.

Bank Rohner to pay same

By Our Own Correspondent

ZURICH, Sept. 12.

BANK Rohner AG, the St. Gall-based banking house, recommends payment of unchanged dividends of Swfr33 per share and Swfr3.30 per participation certificate for the financial year ended June 30. The bank, whose balance sum rose to Swfr439.81m against Swfr400.84m during the year, recorded net profits for 1977-78 of Swfr3.62m ($2m).

Elsewhere, Motor-Columbus AG of Baden, the Swiss utilities and industrial holding company, reports net profits for the year ended June 30 of Swfr5.2m ($3m) and thus similar to those booked for 1976-77.

Jaeger to acquire German clockmaker

PARIS, Sept. 12.

JAEGER YDO, the French maker of clocks and supplier of components for the motor, aviation and marine construction industries, is currently negotiating the acquisition of a majority interest in the West German clockmaker Garant.

Jaeger expects the deal to go through quickly, subject to approval by the German authorities.

Garant, which has an annual turnover of some FFr 45m, specialises in the manufacture of large clocks.

Jaeger has annual sales of around FFr 500m and expects its sales to rise between FFr 650m and FFr 700m next year. It invested FFr 250m last year, and intends to spend an equivalent amount each year up to 1982 on research and development in electronics.

The French company recently acquired an interest in the U.S. company SSS of Pennsylvania, which manufactures integrated circuits, microprocessors and other components for the watch industry.

AP-DJ

DM 9m loan for Thyssen

BRUSSELS, Sept. 12.

THYSSEN Edelstahlwerke AG, *a subsidiary of West Germany's* Thyssen AG steel group, will receive a loan of DM 9m from funds of the European Coal and Steel Community (ECSC), the European Commission announced today.

The funds are to contribute to financing anti-pollution installations at Edelstahlwerke's number three electro-steel plant at Krefeld, West Germany.

While terms of the loan were not given, the Commission said that part of the loan will benefit from an interest subsidy.

AP-DJ

Little change at SI Pirelli

By John Wicks

ZURICH, Sept. 12.

THE Basle-based Societe Internationale Pirelli SA, one of the component companies of the Dunlop Pirelli Union, made net profits of SwFr 31.24m ($19m) for the financial year ended June 30, compared with SwFr 32.75m for the preceding business period. These figures were incorrectly reported in yesterday's story.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Australia 8¾pc 1989	95	96½
AMEV 8pc 1987	95	95½
Australia 8½pc 1992	94½	95
Australian M. & S. 9½pc '92	97	99½
Barclays Bank 8¾pc 1992	96	96¾
Bowater 9½pc 1992	98	99½
Can. N. Railway 8¾pc 1986	95½	96
Credit National 8¾pc 1986	97½	96
Denmark 8¾pc 1984	97½	98½
ECS 9pc 1998	99½	100½
ECS 8¾pc 1997	95½	96½
EIB 8¾pc 1992	96½	97
EMI 9½pc 1989	98½	99½
Ericsson 8¾pc 1989	97	97½
Esso 8pc 1986 Nov.	99	99½
Gt. Lakes Paper 8¾pc 1984	98½	99
Hamersley 9¾pc 1992	100½	101½
Hydro Quebec 9pc 1992	96½	97
ICI 8¾pc 1987	95½	96½
ISE Canada 9¾pc 1986	102½	103
Macmillan Bloedel 9pc 1992	97½	98½
Massey Ferguson 9¾pc '91	97½	98½
Michelin 9¾pc 1988	99½	100½
Midland Int. Fin. 8¾pc '92	97½	98
National Coal Bd. 8pc 1987	93½	94½
Natl. Westminster 9pc 1986	100	100½
Natl. Wstmnstr. 9pc '86 'B'	101½	102½
Newfoundland 9pc 1989	99½	100
Nordic Inv. Bank 8¾pc 1988	95½	96½
Norges Kom. Bk. 8¾pc 1992	97½	96½
Norpipe 8¾pc 1989	96½	97
Norsk Hydro 8¾pc 1992	95	97½
Oslo 9pc 1988	99½	100½
Ports Autonomes 9pc 1991	98½	99½

	Bid	Offer
Prov. Quebec 9pc 1995	96½	97½
Prov. Saskatchwn. 8¾pc '86	97½	98½
Reed International 9pc 1987	93½	94½
RHM 9pc 1992	94½	95½
Selection Trust 8¾pc 1989	91½	92½
Shell Intl. Fin. 8¾pc 1990	95½	96
Skand. Enskilda 9pc 1991	99	99½
SKF 8pc 1987	91½	92½
Sweden (K'dom) 8¾pc 1987	95½	96
United Biscuits 9pc 1989	97½	98½
Volvo 8pc 1987 March	93½	94½
NOTES		
Australia 7¾pc 1984	95	95¾
Bell Canada 7¾pc 1987	94½	95½
Br. Columbia Hyd. 7¾pc '85	93½	94½
Can. Pac. 8¾pc 1984	97½	98½
Dow Chemical 8pc 1986	95½	96½
ECS 7¾pc 1982	95	95½
ECS 8¾pc 1989	94	94½
EEC 7¾pc 1982	95½	96
EEC 7¾pc 1984	94½	95½
Enso Gutzeit 8¾pc 1984	95½	96½
Gotaverken 7¾pc 1982	95½	96
Kockums 8pc 1983	96½	97½
Michelin 8¾pc 1983	98½	99
Montreal Urban 8¾pc 1981	99	99½
New Brunswick 8pc 1984	96½	97
New Bruns. Prov. 8¾pc '83	98½	99
New Zealand 8¾pc 1986	95½	96½
Nordic Inv. Bk. 7¾pc 1984	94	94½
Norsk Hydro 7¾pc 1982	95½	96½
Norway 7¾pc 1982	94½	95
Ontario Hydro 8pc 1987	93½	94½
Singer 8¾pc 1982	98½	99½

	Bid	Offer
S. of Scot. Elec. 8¾pc 1981	98½	99
Sweden (K'dom) 7¾pc 1982	95½	96
Swedish State Co. 7¾pc '82	95½	96½
Telmex 9½pc 1984	98½	99½
Tenneco 7¾pc 1987 May	91½	92½
Volkswagen 7¾pc 1987	94½	95½
STERLING BONDS		
Allied Breweries 10½pc 1990	90½	91½
Citicorp 10pc 1993	92	93
Courtaulds 9½pc 1989	89½	90½
ECS 9½pc 1989	93	94
EIB 9¾pc 1988	97½	95½
EIB 9¾pc 1992	93½	94½
Finance for Ind. 9¾pc 1987	91	92
Finance for Ind. 10pc 1989	94½	95½
Fisons 10½pc 1987	97½	98½
Gestetner 11pc 1988	93½	94½
INA 10pc 1988	91½	92½
Rowntree 10¾pc 1988	92½	93½
Sears 10½pc 1988	92½	93½
Total Oil 9¾pc 1984	90	91
DM BONDS		
Asian Dev. Bank 5½pc 1988	94½	95½
BNDE 6¾pc 1988	96½	97½
Canada 4½pc 1983	98	99
Den Norske Ind Bk. 6pc '90	99½	100½
Deutsche Bank 4½pc 1983	98	99
ECS 5¾pc 1990	93	94
EIB 5¾pc 1990	93	94
Elf Aquitaine 5¾pc 1988	94½	95½
Eurafom 5¾pc 1987	97½	98½
Finland 5¾pc 1986	97	98

	Bid	Offer
Forsmarks 5¾pc 1990	96½	97
Mexico 6pc 1985	97	98
Norcem 5¾pc 1989	98	99
Norway 4¾pc 1983	98	99
Norway 4¾pc 1983	96½	97
PK Banken 5¾pc 1988	95½	96½
Prov. Quebec 6pc 1990	96½	97½
Rautaruukki 5¾pc 1988	94	95
Spain 6pc 1988	96½	97½
Trondheim 5¾pc 1988	95	96
TVO Power Co. 6pc 1988	96½	97½
Venezuela 6pc 1988	95	96
World Bank 5¾pc 1990	96½	97½
FLOATING RATE NOTES		
Bank of Tokyo 1984 8¾pc	99	99½
BFCE 1984 9 7/16pc	99½	99¾
BNP 1983 9 5/16pc	99½	100½
BQE Worms 1985 9pc	98	98½
CCF 1985 8¾pc	98½	99
Chase Manhtn. '93 9 5/16pc	98	98½
Creditanstalt 1984 9¾pc	99	99½
DG Bank 1982 9pc	99½	100½
GZB 1981 9¾pc	99½	100½
Intl. Westminster 1984 9pc	99½	99¾
Lloyds 1983 8 15/16pc	99½	100¼
LTCB 1983 9 1/16pc	99½	99¾
Midland Int. FS '87 8 9/16pc	98½	99
Midland Int. FS '93 9 7/16pc	98½	99
Nat. Westminstr. '90 9 5/16pc	99½	99½
OKB 1983 9¾pc	99½	100½
SNCF 1985 9 5/16pc	99	99½
Std. and Chtrd. '84 9 5/16pc	99½	99½

Source: White Weld Securities.

CONVERTIBLES		
American Express 4¾pc '87	82½	84
Babcock & Wilcox 7pc '92	117	118
Beatrice Foods 4¾pc 1992	102½	104
Beatrice Foods 4¾pc 1992	119½	121
Beecham 6½pc 1992	117	118
Boots 6½pc 1993	101½	102½
Borden 5pc 1992	99	100½
Broadway Hale 4¾pc 1987	75	76½
Carnation 4pc 1987	78	79½
Chevron 5pc 1988	149½	150
Dart 4¾pc 1987	85	86½
Eastman Kodak 4½pc 1988	89½	91
Economic Labs 4½pc 1987	82	83½
Firestone 5pc 1988	78	79½
Ford 5pc 1988	84½	86
General Electric 4¾pc 1987	87½	89
Gillette 4¾pc 1987	77	78½
Gulf and Western 5pc 1988	89	90½
Harris 5pc 1992	182	184
Honeywell 6pc 1986	87	88½
ICI 6¾pc 1992	95½	97½
INA 6pc 1997	98	100
Inchcape 6¾pc 1992	113½	115
ITT 4½pc 1987	80	81½
Jusco 6pc 1992	132½	133½
Komatsu 7½pc 1990	141	142
J. Ray McDermott 4¾pc '87	169	170½
Matsushita 6½pc 1990	158	189½
Mitsui 7½pc 1990	123	134
J. P. Morgan 4½pc 1987	101	102½
Nabisco 5½pc 1988	104	105½
Owens Illinois 4½pc 1987	123	124½
J. C. Penney 4½pc 1987	77	78½
Revlon 4½pc 1987	141	142½
Reynolds Metals 5pc 1988	87½	89
Sandvik 6½pc 1986	112	114
Sperry Rand 4¾pc 1987	99½	100
Squibb 4¾pc 1987	83½	85
Texaco 4¾pc 1988	77	78½
Texas Int. Airlines 7¾pc '93	104½	105½
Toshiba 6½pc 1992	135	136
Ty Co. 5pc 1984	76	77½
Ty Co. 8¾pc 1988	109½	109½
Union Carbide 4¾pc 1982	90½	92
Warner Lambert 4¾pc 1987	82	83½
Warner Lambert 4¾pc 1988	77½	79
Xerox 5pc 1988	77½	79

Source: Kidder, Peabody Securities.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Cybernet and Crown shelve plan to merge

By Robert Wood

TOKYO, Sept. 12.

CROWN RADIO and Cybernet, medium-sized Japanese electronics companies badly hit by rise of the Japanese yen, have deferred plans to merge.

Their merger plan, announced in June, had been widely viewed as a "back-door" way of getting Cybernet listed on the first section of the Tokyo Stock Exchange by having it effectively absorb Crown, a listed company which specialises in tape recorder exports to Europe. Cybernet is an unlisted company.

Crown has piled up deficits since the early 1970s. Its stockholders' equity has been virtually eliminated by its accumulated losses. It announced today that it would raise Y1.5bn (equivalent to $7.8m) through a private placement offering. 90 per cent to be subscribed by Dai'Ei, Japan's largest supermarket chain, and 10 per cent to be subscribed by the company's component suppliers. Such a private placement of shares had been expected as a necessary device to wipe out the company's accumulated de-

Power companies cast a shadow on Japan profits

BY YOKO SHIBATA

TOKYO, Sept. 12.

MAJOR JAPANESE companies listed on the First Section of the Tokyo Stock Exchange expect earnings to rise in general in the current half-year, ending this month. But total corporate profits are expected to suffer a substantial setback during the October-March period, compared with the previous six months, because electric power companies have decided to pass their exchange gains on to consumers. The projections are given in surveys conducted by two leading securities houses, Yamaichi and Daiwa.

Reviewing the profits picture in the current six months, both surveys point out that declining interest rates, which eased the interest payment burden, production cartels which have strengthened market prices and the Government's extensive public works programme, are expected to provide a boost. Both surveys emphasise that the higher yen value has a favourable effect on production costs in so far as it results in lower import prices for crude oil and other fuels and raw materials.

In the manufacturing sector—especially textiles, chemicals and metal industries—profits gains around 10 per cent over the previous six months, ended last March are expected. During the March - September period, Yamaichi predicts an 8.8 per cent growth in current profits for all industries, and a 6.4 per cent gain in current profits is forecast by Daiwa.

However, both surveys expect eight power companies, with the exclusion of Hokkaido Electric Power Company, to pass on to consumers Y266.5bn worth of their windfall exchange gains during the October-March period.

As a result, current profits of the power industry, it is predicted, will drop sharply, from Y275.6bn in the current half-year to Y10bn in the half to March, 1979, a fall by 96.4 per cent. As a result, Yamaichi forecasts a 7.9 per cent dip in current profits in the October-March period, while Daiwa projects a 17 per cent reduction. The difference between the figures in the two surveys arises because Daiwa's are based on the assumption that crude oil prices will rise 5 per cent in January next year.

The profit outlook excluding power companies, however, Yamaichi says, is for a rise of 25 per cent, and an 8.1 per cent is predicted by Daiwa.

This implies that most Japanese corporations are expecting a fairly strong upturn in earnings in the current fiscal year, ending March. Both predictions are based on the assumptions that the Government will implement a supplementary Budget featuring Y2.5 trillion (some $13bn) of public works and that the yen-dollar exchange rate stays around Y190.

Five steel groups defer interims

TOKYO, Sept. 12.

NIPPON STEEL Corporation and four other major steel companies have separately decided to pay no interim dividend payments for the first half, ending this month, Nippon Steel said.

The other companies are Sumitomo Metal Industries, Kawasaki Steel Corporation, Nippon Kokan Kaisha and Kobe Steel.

The decision was made, according to Nippon, because of the expectation of poor first-half business results and the uncertain outlook for the second-half arising mainly from the sharp yen rise against the U.S. dollar, which has hit Japanese steel exports.

Nippon Steel hopes, however, to pay a 6 per cent, or Y3, per share dividend for the whole year ending next March, the same as for last year.

Reuter

Yen rise hits Sony earnings

TOKYO, Sept. 12.

SONY CORPORATION'S consolidated net income is certain to fall in the current year, ending October 31, from the Y34.64bn ($1.80m) last year — but by an unpredictable amount — Mr. Kimio Okura, the company's managing director said here.

At the same time, consolidated net sales are likely to rise by an amount several percentage points below the original target of 10 per cent, over last year's Y506.02bn ($2.6bn).

In the first half, to April 30, Sony's consolidated net profit fell 41 per cent, to Y12.18bn ($63.4m), from Y20.70bn in the same period a year earlier, on sales up 3.8 per cent to Y255.26bn ($1.3bn), from Y246.02bn.

Figures for the third quarter, to end-July, are due to be announced this week.

The main reason for the fall in net income and the below-target sales rise was the appreciation of the yen. About 60 per cent of Sony's sales are overseas, with about 30 per cent of the overseas sales now produced abroad.

Sony has for some months been instructing product planners to work on the basis of an exchange rate of Y180-190. Figures last year were translated into dollar terms by the company at Y248 to the dollar. In the first half of this year the rate was changed to Y220.

In order to absorb costs and continue exporting profitably, the company was stressing new research and development efforts, Mr. Okura said. In the first half of this financial year, outlays in this field rose by 30 per cent from the year-earlier level and accounted for 6 per cent of sales.

In the medium to long term, the company must prepare itself for a higher yen, Mr. Okura added. In the short term, however, Y180 looked a very strong barrier, and the yen could weaken somewhat, perhaps to over the Y200-per-dollar level next year. Sony had been hedging "as much as possible" against the yen's rise.

Sony currently had ample production facilities in Japan, and had no urgent need to invest in new overseas manufacturing bases. But the company recognised that as competition from producers in less developed countries grew, and as sales of products such as colour television sets in those countries rose, it might be necessary to consider production ventures in those countries.

Such ventures could be designed for sales in the country of production and for export to third markets.

Referring to Sony's colour television plant in San Diego, California, which is being expanded, Mr. Okura said that labour costs in the U.S. became cheaper than those in Japan around the time the yen rose beyond Y240 to the dollar.

Video tape recorders (VTRs) had accounted for about 17 per cent of sales in the May-July (third) quarter, up from 14 per cent for the whole of last year, and the percentage was continuing to increase gradually.

Home VTR's could be installed in about 50 per cent of Japanese homes by around 1985, Mr. Okura ten years after marketing began, and could at that time account for about 25 per cent of Sony's consolidated sales. This would mean slower growth than that for colour TVs, which took about 10 years to achieve over 90 per cent penetration of Japanese households.

Producers could cut prices to try to get the VTR market to grow faster, but Sony's policy was to ensure that profits remained adequate. VTR competition in Japan was "very keen," Mr. Okura said, but forecast that sales of Sony's Beta system machines, and Matsushita Electric Industrial Company's VHS system would both continue to grow.

Reuter

Optimistic outlook at Highveld Steel

By Richard Rolfe

JOHANNESBURG, Sept. 12.

HIGHVELD STEEL and Vanadium Corporation (Hiveld), a member of the Anglo American Group, says in its latest annual report that profitability should be "at least maintained over the year ahead" to June 30. Last year, the corporation's operating profit fell from R35.7m to R33.7m ($38.7m) but with improved liquidity the dividend was raised 1c to 16c. The shares at 210c yield 7.6 per cent.

Favourable factors behind the forecast are a full year ahead of output from the expanded flat product facilities, and expected improvement in the markets for ferro-alloys and vanadium. If the recovery recently noted in the world steel industry is maintained "an improvement in the group's profitability can be expected."

Demand for vanadium weakened during the year and the group estimates that present Western world vanadium pentoxide capacity is about 112m lbs against apparent consumption of only 72m lbs in 1977. However, demand began to improve in 1978 because of increased pipeline developments—a major vanadium user—in Russia, Mexico and the Middle East.

Hong Kong developers to build hotels in China

BY MELINDA LIU

HONG KONG, Sept. 12.

LEADING Hong Kong property developers have reached preliminary agreements to build tourist hotels in several major Chinese cities. Chinese officials are expected to finalise the transactions next month with high-level representatives from a number of major Hong Kong companies, including New World Development, Hopewell Holding, Sun Hung Kai Properties and Sun Hung Kai Securities.

These arrangements follow a growing realisation among Hong Kong developers that Peking's dramatically expanded ambitions to attract tourist dollars has outstripped the Chinese infrastructure's capacity to accommodate the deluge of tourists.

The first site slated for development is believed to be an 80,000-sq ft lot in Peking. Other locations include Canton, Shanghai, Hangchow and Kweilin, all of them prominent tourist attractions. The border town of Shumchun, just across from Hong Kong's new territories and an area just north of the nearby Portuguese colony of Macao are also being considered, although these projects will be resort developments aimed chiefly at attracting Chinese from Hong Kong and Macao.

Peking's hitherto firm stance, eschewing joint ventures with foreign companies on Chinese soil, is expected to prevail throughout the upcoming negotiations. The final talks will determine the method, period and details of repayments, and China's "no joint venture" principle will be satisfied as long as the hotels are owned outright by the Chinese in the end.

This guideline does not preclude, however, the suggestion that Hong Kong developers may become involved in packaged tour groups which will utilise blocks of rooms in the new hotels under a special arrangement with the Chinese. Another possibility is a more straightforward investment scheme which would represent the revival of an overseas Chinese investment programme practised in China during the 1950s but terminated by the cultural revolution in 1966.

Although the presence of Sun Hung Kai Securities in the current negotiations puzzled some observers, it is an indication of Peking's understandable pursuit of financial expertise in connection with the hotel deals and possibly others as well. The company's chairman and managing director, Fung King-Hey, has won a reputation in Hong Kong as a financial wizard and he is reportedly being wooed by Peking for his financial know-how and connections, which would be helpful to Peking's recently disclosed plans to set up a finance company in Hong Kong.

The involvement of New World Development in the hotel discussions was not surprising. The firm solidified its commercial ties with Peking with the recent sale of a HK$70m hotel in Hong Kong's Happy Valley to the New China News Agency which functions as China's thinly disguised "embassy" here.

Although Jardine Matheson shares shot up last week following rumours that it also planned to construct a hotel in China, the excitement proved to be premature. The speculation was fueled by the fact that Jardine Matheson's chairman, David Newbigging, returned from a Peking trip earlier this year reporting that Chinese officials had expressed a concerted interest in pursuing tourism-related expertise in services, management and construction.

Mr. Newbigging is also chairman of Hongkong Land, which because of its shares in several leading hotels in Hong Kong as well as in a string of catering facilities, is thought to be in a good position to cash in on tourism developments within China. Recently Hongkong Land and Jardine Matheson announced their minority equity participation in a local real estate joint venture with Peking-backed interests in Hong Kong, the first major joint equity venture between Peking-backed companies and the West.

Offshore banking growth in Bahrain

BAHRAIN, Sept. 12.

TOTAL ASSETS of Bahrain's offshore banking market almost doubled in the year ended June 30, to reach $20bn, the Bahrain Monetary Agency announced.

The agency's quarterly statistical bulletin showed that U.S. dollars accounted for $14.6bn of the market's assets compared with $8.3bn out of the $10.9bn market a year earlier. On the liabilities side, dollars accounted for $13.7bn compared with $8.3bn a year earlier.

The decline in the dollar share resulted from the growth in dealings in regional currencies, mainly the Saudi Riyal.

Regional currency assets rose to $4.7bn, from $1.9bn and liabilities in these currencies to $5.5bn from $1.4bn.

Reuter

Philips Industries in the red at halfway mark

BY OUR OWN CORRESPONDENT

SYDNEY, Sept. 12.

Philips Industries Holdings, the electrical manufacturer and white goods group, has announced a sharp turnaround, from a profit of A$3.33m in the first half of last year to a loss of A$2.80m (US$3.2m) in the half to June 30, Our Own Correspondent writes. The loss came despite a 16 per cent rise in sales turnover from $A147.46m to $A171.60m.

The directors said that the "very disappointing result" reflected the present economic climate in which the total market for consumer products remains depressed. They cited a combination of the depressed economy, extreme competition in retail shops, reduced margins in white goods and extraordinary exchange losses as causing the slide.

Neither do they give much encouragement for the immediate future. "The directors view a short-term recovery in the general economic climate with some pessimism," they said.

"The Pye television activity has been through a period of rationalisation: production facilities at Marrickville NSW were reduced and as a consequence losses have been incurred. However the division is now more competitively placed in a contracting colour television market," the directors added.

Despite the depressed and highly competitive market for white goods, the company's domestic appliances division increased sales by 58 per cent but was still unable to avoid a loss. Reduced profit margins and below budget results resulted from extreme competition arising from a slump in the Australian retail industry. A critical aspect of the result was the A$2.7m jump in the interest bill to A$4.82m (a legacy from the Pye takeover) and a A$1m exchange loss on external loans.

Sharp sales gain at SHK Properties

By Ron Richardson

HONG KONG, Sept. 12.

TOTAL SALES of Sun Hung Kai Properties, the property and development group, rose by 83 per cent to a record HK$920m (U.S.$195m) in the year to June 30, according to the company's annual report. Of this total, HK$497m represented sales and pre-sales of the group's own properties while the remainder was agency business.

The accounts show that the company held property valued at HK$149m for development at the end of its financial yead. This was up 27 per cent on the figure a year earlier.

As previously reported, profits of Sun Hung Kai Properties in 1977-78 were HK$141.7m (U.S.$30m), a rise of 39 per cent.

Earnings in the current year should continue to grow at a similar rate to that of recent years, Mr. Kwok Tak Seng says

BUILDING SOCIETY INTEREST RATES

GREENWICH
(01-858 8212)
281 Greenwich High Road,
Greenwich, SE10 8NL.

* Deposit Rate 6.45%, Share Accounts 6.95%, Sub'pn. Shares 7.95%. Term Shares 2 yrs. ½% above share rate, 3 yrs. 1% above share rate. Interest paid Quarterly on shares/term shares. Monthly Income shares 6.60%.

LONDON GOLDHAWK
(01-995 8321)
15/17 Chiswick High Road,
London W4 2NG.

Sub'pn. Shares 8.20.
Deposit Rate 6.45, Share Accounts 6.95.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at August 30, 1978 (aBse 100 at 14.1.77)

Clive Fixed Interest Capital	129.40
Clive Fixed Interest Income	114.12

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill, London EC3V 3PB. Tel: 01-623 6314
Index Guide as at September 7, 1978

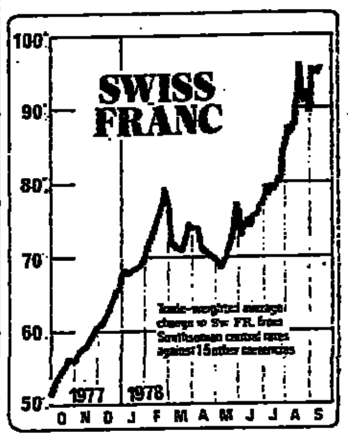
Capital Fixed Interest Portfolio	100.00
Income Fixed Interest Portfolio	100.00

Currency, Money and Gold Markets

Canadian dollar very weak

The Canadian dollar continued to decline in yesterday's foreign exchange market and touched a record low of 85.85 U.S. cents during the day before closing at 85.97½ U.S. cents compared with 86.12½ on Monday. The main reason for the decline was the rather gloomy outlook over the Canadian economy and in an effort to arrest the downward trend, the authorities raised the bank rate from 9 per cent to 9½ per cent. Hover, this seemed to have little effect and was treated as something similar to locking the stable door after the horse has bolted. Using Morgan Guaranty figures, the dollar's trade weighted average depreciation widened to 16.4 per cent from 16.2 per cent previously. On a similar basis the U.S. dollar's depreciation narrowed slightly to 8.7 per cent from 8.8 per cent.

The dollar closed at its weakest level against most major currencies. Conditions were nervous ahead of any outcome to the



Middle East peace talks being held at the moment, and until something concrete has emerged, trading is likely to remain nervous. Against the Swiss Franc the dollar fell to Sw.Fr. 1.6175 after DM 2.0015 earlier on and the start of trading and compared with Monday's close of Sw.Fr.1.6250. The West German mark was also firmer at DM 1.9950 after DM2.0015 earlier on and DM 2.0005 on Monday.

Sterling opened at $1.9445 and eased to $1.9430 during the morning. From then on the dollar started to decline and coupled with a good demand for sterling later in the day, it reached $1.9465 at one point before closing at $1.9450-1.9460, a rise of 25 points.

On Bank of England figures the pound's improvement was shown against other major currencies and its trade weighted index improved to 62.6 from 62.5, having stood at 62.6 at noon and 62.5 in early dealings.

TOKYO—The dollar closed at Y192.175 slightly down from Monday's close of Y193.225. Trading was described as rather dull and the U.S. currency opened at Y192.00. After the close of business, further selling orders were coming in and the dollar was quoted at Y191.85. The announcement that Japan's dollar based licensed imports had risen 14.1 per cent in August from the year before and 5.1 per cent from July, did not appear to have any effect on trading. Spot-turnover amounted to $530m while combined forward and swap trading accounted for $746m.

FRANKFURT—The dollar was fixed at DM1.9965 down from the previous fixing of DM2.0105, and there was no intervention by the Bundesbank. This showed a slight improvement on its earlier level of DM1.9952. Trading was featureless with no apparent dollar trend. Later trading saw the U.S. currency at DM1.9957½ slightly down from the morning.

PARIS—With very calm conditions prevailing, the French franc showed very little change against major currencies. The dollar was quoted at Fr.4.3730 with little change from earlier levels but was down from Monday's close of Fr. 4.3825. Sterling was firmer at Fr. 8.5050.

ZURICH — In very quiet early morning trading, the dollar showed a slightly firmer tendency against some major currencies. However, with little to affect the market at the moment, the U.S. currency lacked direction and traded within a narrow range. The dollar was quoted at SwFr 1.6210 with a range for the morning of SwFr 1.6170-1.6240.

MILAN — The dollar was quoted at L834.95 against the lira, which showed almost a four-point drop from Monday's fixing of L838.85. Later trading saw the U.S. currency move slightly to L834.90.

THE POUND SPOT / FORWARD AGAINST £

Sept. 12	Bank rate %	Day's Spread	Close	One month	% p.a.	Three months
U.S. $	7¾	1.9405-1.9470	1.9450-1.9460	0.57-0.47c pm	3.21	1.42-1.32c pm
Canadian $	9½	2.2635-2.2640	2.2620-2.2630	0.50-0.40c pm	2.38	1.50-1.40c pm
Guilder	4½	4.19½-4.22½	4.20¾-4.21¾	3-2c pm	7.12	7-6c pm
Belgian F.	6	60.95-61.15	61.00-61.10	25-15c pm	3.93	70-60c pm
Danish K.	8	10.64½-10.70	10.67½-10.68½	1½-2½ ore dis	-1.69	1½-3½ ore dis
D-Mark	3	3.87½-3.88½	3.87¾-3.88¾	3⅛-2⅛pf pm	8.71	8⅝-7⅝ pf pm
Port. Esc.	18	88.25-88.95	88.75-89.25	80-160c dis	-14.63	180-450c dis
Span. Pes.	8	144.00-144.50	144.35-144.45	120-220c dis	-14.15	480-580c dis
Lira	10½	1,619-1,626	1,623½-1,624½	3-1 lire pm	1.48	2-4 lire dis
Nrwgn. K.	7	10.21-10.28	10.21¾-10.22¾	2½-½ ore pm	1.76	4-2 ore pm
French Fr.	9½	8.48-8.51½	8.50-8.51	3¼-2¼c pm	3.88	7¾-6¾c pm
Swedish Kr.	6½	8.64-8.69	8.65½-8.66½	3¼-1¼ ore pm	3.12	8-7 ore pm
Yen	3½	368-378	372-374	5.60-3.65 y pm	10.05	8.75-8.45 y pm
Austria Sch	4½	27.95-28.15	28.00-28.10	20-10 gro pm	6.42	42-32 gro pm
Swiss Fr.	1	3.15½-3.16	3.14½-3.15½	3⅝-2⅝c pm	10.15	9½-8½c pm

Belgian rate is for convertible francs. Financial franc 63.00-63.10.

Six-month forward dollar 2.[illegible] 12-month 4.90-4.75c pm.

THE DOLLAR-SPOT / FORWARD AGAINST $

September 12	Day's spread	Close	One month	% p.a.	Three months
Canad'n $*	85.92-86.09	85.92-85.95	0.05-0.02c dis	-0.46	0.14-0.09c dis
Guilder	2.1630-2.1678	2.1648-2.1658	0.83-0.78c pm	4.38	1.92-1.86c pm
Belgian Fr	31.365-31.450	31.398-31.418	6-4½c pm	1.95	13-11c pm
Danish Kr	5.4775-5.4855	5.4835-5.4855	—		—
D-Mark	1.9938-2.0000	1.9960-1.9970	0.95-0.90pf pm	5.11	2.73-2.68pf pm
Port Es	—	45.60-45.80	—		—
Lira	834.00-835.50	834.65-834.95	2.00-2.40 lire dis	-2.98	7.00-7.75 lire dis
Nrwgn. Kr	5.2645-5.2755	5.2645-5.2665	—		—
French Fr	4.3680-4.3745	4.3695-4.3715	0.45-0.35c pm	0.70	0.77-0.67c pm
Swedish Kr	4.4480-4.4600	4.4480-4.4500	—		—
Yen	191.60-191.95	191.60-191.75	1.18-1.08y pm	6.74	3.28-3.18y pm
Austria Sch	—	14.4050-14.4150	—		—
Swiss Fr	1.6165-1.6230	1.6195-1.6205	1.17-1.13c pm	8.00	3.32-3.27c pm

* U.S. cents per Canadian $.

CURRENCY RATES

September 12	Special Drawing Rights	European Unit of Account
Sterling	0.652141	0.662829
U.S. dollar	1.26711	1.28746
Canadian dollar	1.47398	1.49755
Austrian schilling	18.2876	18.5715
Belgian franc	39.8094	40.4487
Danish krone	6.95137	7.06343
Deutsche Mark	2.52979	2.57015
Guilder	2.74583	2.78979
French franc	5.54844	5.63057
Lira	1058.64	1074.96
Yen	243.158	245.744
Norwegian krone	6.65029	6.78158
Peseta	93.9893	95.5106
Swedish krona	5.65068	5.73477
Swiss franc	2.05272	2.08692

CURRENCY MOVEMENTS

September 12	Bank of England Index
Sterling	62.59
U.S. dollar	84.71
Canadian dollar	81.32
Austrian schilling	140.17
Belgian franc	118.76
Danish krone	113.97
Deutsche Mark	141.76
Swiss franc	204.21
Guilder	119.31
French franc	99.57
Lira	56.09
Yen	152.81

Based on trade weighted changes from Washington agreement December, (Bank of England Index=100).

OTHER MARKETS

Sept. 12	£	$		Note Rates
Argentina Peso	1,636-1,640	840.91-842.97	Austria	27.5[illegible]
Australia Dollar	1.6880-1.6950	0.8676-0.8712	Belgium	62.60
Finland Markka	7.9580-7.9760	4.0960-4.0980	Denmark	10.5[illegible]
Brazil Cruzeiro	36-37	18.504-19.018	France	8.4[illegible]
Greece Drachma	71.435-72.229	36.718-37.126	Germany	3.8[illegible]
Hong Kong Dollar	9.21-9.23	4.7340-4.7445	Italy	1600
Iran Rial	133-139	68.363-71.447	Japan	37[illegible]
Kuwait Dinar (KD)	0.527-0.537	0.2709-0.2760	Netherlands	4.1[illegible]
Luxembourg Franc	61.00-61.10	31.354-31.406	Norway	10.1[illegible]
Malaysia Dollar	4.4700-4.4850	2.2976-2.3055	Portugal	8[illegible]
New Zealand Dollar	1.8424-1.8514	0.9470-0.9516	Spain	141[illegible]
Saudi Arabia Riyal	6.40-6.50	3.2896-3.3410	Switzerland	3.1[illegible]
Singapore Dollar	4.2650-4.3800	2.2436-2.2513	United States	1.93[illegible]
South African Rand	1.6740-1.6999	0.8604-0.8738	Yugoslavia	38.0[illegible]

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Sept. 12	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.946	3.883	373.0	8.505	3.150	4.213	1624.	2.263	[illegible]
U.S. Dollar	0.514	1.	1.996	191.7	4.572	1.619	2.165	834.7	1.163	[illegible]
Deutsche Mark	0.258	0.501	1.	96.07	2.191	0.811	1.085	418.3	0.583	[illegible]
Japanese Yen 1,000	2.681	5.216	10.41	1000.	22.80	8.445	11.29	4354.	6.066	[illegible]
French Franc 10	1.176	2.287	4.565	438.6	10.	3.704	4.953	1909.	2.660	[illegible]
Swiss Franc	0.317	0.618	1.233	118.4	2.700	1.	1.337	515.6	0.718	[illegible]
Dutch Guilder	0.237	0.462	0.922	88.55	2.019	0.748	1.	385.5	0.537	[illegible]
Italian Lira 1,000	0.616	1.198	2.391	229.7	5.237	1.940	2.594	1000.	1.393	[illegible]
Canadian Dollar	0.442	0.860	1.716	164.9	3.759	1.392	1.862	717.8	1.	[illegible]
Belgian Franc 100	1.638	3.187	6.360	611.0	13.95	5.160	6.900	2660.	3.706	[illegible]

EURO-CURRENCY INTEREST RATES*

Sept. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	11½-11⅝	8¼-8½	8¼-9¼	¼-2½	1/16-1/8	3⅜-3½	7¼-7½	8½-12½	—	[illegible]
7 day's notice	11½-11⅝	8⅜-8⅝	8¼-9¼	3¼-3½	1/16-1/8	3⅜-3½	7¼-7½	11¼-12¼	8½-8⅝	[illegible]
Month	11½-12	8½-8⅝	8⅝-9	4 1/16-4 3/16	½-⅝	3 7/16-3 9/16	7¾-8	11½-12½	8⅝-8¾	[illegible]
Three months	11⅞-12¼	8⅞-9⅛	9-9⅜	5 5/16-5 7/16	⅝-¾	3 7/16-3 9/16	8¼-8½	12-13	8⅞-9	[illegible]
Six months	12-12⅜	9 3/16-9 5/16	9¼-9⅝	5 15/16-6 1/16	1-1⅛	3 7/16-3 9/16	9 3/16-9 5/16	12¼-13¼	9⅛-9¼	[illegible]
One year	11⅞-12⅜	9⅛-9⅝	9 5/16-9 11/16	6-6¼	1⅛-1¼	3½-3⅝	9¾-10	13½-14½	9 5/16-9 7/16	[illegible]

The following nominal rates were quoted for London dollar certificates of deposit: One month 8.50-8.60 per cent; three months 8.75-8.85 per cent; six months 9.00-9.10 per cent; one year 9.05-9.15 per cent.

Long-term Eurodollar deposits: two years 9 5/16-9 9/16 per cent; three years 9½ per cent; four years 9½-9¾ per cent; five years 9 5/16-9 7/16 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs. Asian rates are closing rates in S[illegible]

INTERNATIONAL MONEY MARKET

Canadian & Belgian rates up

The Bank of Canada yesterday increased its bank rate to 9½ per cent from 9 per cent as a direct support measure for the Canadian dollar. Leading Canadian banks followed by increasing their prime rates from 9¾ per cent to 10¼ per cent. In addition the money supply target was reduced from 7-11 per cent to 6-10 per cent. The Canadian dollar has recently hit a 45-year low against the U.S. dollar in the wake of continued economic problems. The bank rate is now at its highest since November, 1976.

At the same time interest rates on two-month Belgian Treasury certificates were raised to 7 per cent from 6.9 per cent and the three-month to 7.15 per cent against 7 per cent previously. The one-month rate remained at 6.75 per cent. Also the Government's bills fund raised the rate of four-month paper to 7.25 per cent from 7.10 per cent at yesterday's weekly auction. This latest round of increases was seen to be linked with the Government's heavy borrowing requirements. Consequently there seems to be little likelihood of any change in the Bank Rate at today's central bank meeting.

Deposit rates for the Belgian franc (commercial) were easier throughout with one-month at 6¾-6⅞ per cent compared with 7⅛-7¼ per cent and three-month at 7⅜ per cent, down from 7¼-7⅜ per cent. Six-month deposits were quoted at 7 7/16-7 11/16 per cent against 7½-7¾ per cent while the one-year rate eased to 7 9/16-7 11/16 per cent from 7 11/16-7 13/16 per cent. Call money also fell to 4.10 per cent from 4.40 per cent.

NEW YORK—13-week Treasury bills were quoted at 7.73 per cent compared with an average 7.695 per cent and 26-week bills rose to 7.82 per cent from 7.793 per cent at the auction. One-year bills eased slightly to 7.90 per cent against 7.91 per cent late Monday. Federal funds were trading at 8¾ per cent, little changed from previously. One-month certificates of deposit fell to 8.33 per cent from 8.35 per cent, while two and three-months were unchanged at 8.45 per cent and 8.55 per cent respectively.

FRANKFURT—Interbank money market rates were unchanged throughout from Monday. The Bundesbank net central currency reserves rose DM 200m to DM 87,000m in the first week of September. Other reserve assets remained at DM 5,300m.

PARIS—Money market rates were generally firmer with call money at 7⅝ per cent and one-month money at 7 5/8-7⅞ per cent compared with 7¼-7⅜ per cent. The three-month rate rose to 7 7/16-7½ per cent from 7⅜-7½ per cent while six-month money was quoted at 7 11/16-7 13/16 per cent, up from 7⅝-7¾ per cent. The 12-month rate was unchanged at 8⅜-8½ per cent.

AMSTERDAM—The official Dutch call money rate was cut to 2½ per cent from 4¾ per cent previously. This was a consequence of increased liquidity in the market caused by regular Government disbursements. Longer-term rates showed little change with one and three months at 5-5¼ per cent and 6-6¼ per cent respectively while the one-year rate was slightly easier at 6½-6¾ per cent compared with 6½-6⅞ per cent.

UK MONEY MARKET

Trading subdued

Bank of England Minimum Lending Rate 10 per cent (since June 8, 1978)

Conditions in the London money market continued rather dull with a generally low level of business. However, the authorities bought a small amount of Treasury bills all direct from the houses. The market was faced with a small net take up of Treasury bills and a moderate increase in the note circulation. On the other hand there was a very small excess of Government disbursements over revenue transfers to the Exchequer.

Discount houses were paying 8¼-8½ per cent for secured call loans at the start and rates remained static for most of the day before closing around 8 per cent.

In the interbank market, overnight loans opened at 8½-8¾ per cent and eased to 8¼-8½ per cent. Rates then stayed generally within 8-8½ per cent before firming at the close to 9-9½ per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Sept. 12 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8-9⅛	—	—	—	8⅞	7½-8⅝	—	—	—
2 days notice	—	—	8¾-8⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9-9⅛	—	—	—	—
7 days notice	—	8⅝-9	8⅞-9	—	9¼	—	8½	—	—	—
One month	9½-8⅝	8 13/16-8 15/16	9	9⅝-9⅝	9½	—	8¾	8⅞	9-9 1/32	9⅝
Two months	[illegible]	[illegible]	—	9¼-9⅛	9⅝	9¼	9	[illegible]	[illegible]	9⅝
Three months	[illegible]	9¼-9⅜	9¼	9¼-9⅛	9¾	—	9	[illegible]	[illegible]	9⅝
Six months	[illegible]	[illegible]	9⅜-9½	[illegible]	10	9⅛	—	—	[illegible]	10
Nine months	[illegible]	[illegible]	—	9⅝-9⅞	10⅛	—	—	—	—	—
One year	[illegible]	[illegible]	9[illegible]-10	9⅞-10⅛	10¼	—	—	—	—	—
Two years	—	—	10[illegible]	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. * Longer-term local authority mortgage rate nominally three years 11½ per cent; four years 12¼ per cent; five years 12½-12¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9⅛ per cent; four-month trade bills 9½ per cent.

Approximate selling rates for one-month Treasury bills 8 13/16 per cent; and two-month 8 13/16-8 27/32 per cent; three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent; two-month [illegible] per cent; and three-month 9⅛ per cent. One-month trade bills 9⅝ per cent; two-month 9⅝ per cent; and also three-month 9⅝ per cent.

Finance House Base Rates (published by the Finance Houses Association) 10 per cent from September 1, 1978. Clearing Bank Deposit Rates (for small sums at seven days' notice) 6-7 per cent. Clearing Bank Base Rates for lending 10 per cent. Treasury Bills: Average tender rates of discount 8.6271 per cent.

GOLD

Further rise

Gold rose $1½ an ounce to close at $208-208½ in the London market yesterday. After opening at $207½-208, the metal was fixed at $207.15 during the morning and was slightly firmer at the noon fixing at $208.00. Trading was generally subdued with the rise being mainly attributed to renewed weakness of the dollar.

In Pairs the 12½ kilo gold bar was fixed at FFr 29,350 ($[illegible] per ounce) compared with FFr 29,375 ($208.88) in the morning and FFr 29.375 ($207[illegible]) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 13,350 ($[illegible] per ounce) compared with DM 13,340 ($206.32) previously.

	Sept. 12
Gold Bullion (a fine ounce)	
Close	$208-208½
Opening	$207½-208
Morning fixing	$207.15 (£106.649)
Afternoon fixing	$208.00 (£107.079)
Gold Coins domestically	
Krugerrand	$215½-217½ (£110½-111½)
New Sovereigns	$60½-61½ [illegible]
Old Sovereigns	$61-63 (£31½-32½)
Gold Coins internationally	
Krugerrand	$214-216 (£110-111)
New Sovereigns	$57-59 (£29½-30½)
Old Sovereigns	$61-63 (£31½-32½)
$20 Eagles	$308-310
$10 Eagles	$159-161
$5 Eagles	$100-105

MONEY RATES

NEW YORK
Prime Rate
Fed Funds
Treasury Bills (13-week)
Treasury Bills (26-week)

GERMANY
Discount Rate
Overnight
One month
Three months
Six months

FRANCE
Discount Rate
Overnight
One month
Three months
Six months

JAPAN
Discount Rate
Call (Unconditional)
Bills Discount Rate

WORLD STOCK MARKETS

Wall St. partly recovers an early reaction

INVESTMENT DOLLAR PREMIUM
£2.60 to £1—94¾% (95¼%)
Effective $1.9455 45¾% (46¼%)

INTEREST RATE worries were partly responsible for a reactionary tendency on Wall Street early yesterday, but the stock market showed some recovery later.

The Dow Jones Industrial Average slipped back more than five points before picking up to 906.44 for a modest net loss of 1.30. The NYSE All Common Index fully recouped an initial decline of 24 cents to end unchanged at $60.38, while declines finally outnumbered rises by only 795 to 674 after an early two-to-one lead. Turnover contracted to 34.40m shares from the previous day's level of 39.67m.

The market remained nervous about a slight tightening of credit on Friday by the Federal Reserve, and yesterday money market analysts said a quarter-point rise in the Prime Rate to 9½ per cent is imminent, possibly as soon as this Friday.

Analysts said that while a further rise in the Prime Rate was expected, a move as soon as Friday could be disconcerting. The rate was raised to 9¼ from 9 per cent at the end of August.

Investors were also worrying about possible renewed money tightening this month and next from continuing heavy credit demand and start-of-quarter seasonal factors.

It was also noted that having completed a big rise last week, the market may need a correction before a further upthrust is possible.

Pan-American Airways, which last week agreed to acquire **National Airlines** for $41 a share, lost ⅛ to $10 and was the most active issue. **National Airlines** took second place and gained 1⅜ to $37½. **Texas International Airlines** has filed a complaint with the Civil Aeronautics Board alleging unlawful control of National by Pan-Am and said it would pursue efforts to gain control of National. Texas closed unchanged at $15⅜ on the American exchange.

Hanes advanced $5 to $54—it is holding merger talks with **Consolidated Foods**, which last week proposed a combination, and also with other firms that it did not name. **Consolidated Foods**, which already holds 20 per cent of Hanes, tacked on ⅜ to $25⅜.

Gaming shares were active. **Caesars World** climbed 7½ to $54⅜ before a trading halt—the company has obtained a $15.5m mortgage commitment for its planned Atlantic City hotel/casino. **Del E. Webb** rose 1⅛ to $32⅛ despite a forecast that third-quarter net profits would be off 30 per cent from a year ago. **Bally** added 4⅛ at $67⅛.

Green Giant reporting higher first-quarter net earnings rose 2⅛ to $24⅛.

THE AMERICAN SE Market Value Index, however, after an initial setback to 176.11 at 11.00 a.m., resumed its climb to close 0.39 higher at a record 176.69. Trading volume was a heavy 6.97m shares, but below Monday's 8.18m.

Resorts International "A" bounded ahead 17½ to $152 on the company's expectations of third-quarter profits exceeding those for the first half of the year.

Imperial Oil "A" put on ⅛ to $20⅛—a subsidiary has reported a large uranium ore find in Saskachewan. **Numac Oil** added $1 at $54 after a $6 rise on Monday, but **Bow Valley** slipped ⅛ to $40⅛—they are partners in the find. On the NYSE, **Exxon**, which controls Imperial Oil, gained ⅛ to $52⅛.

Canada

Following the recent marked strength, stocks were inclined to soften yesterday, with the Toronto Composite Index shedding 1.6 to 1,286.6. Metals and Minerals came back 5.0 to 1,100.6, Utilities 1.58 to 193.28 and Papers 3.30 to 144.48, but Golds rallied 19.6 to 1,630.9 and Banks rose 2.78 to 292.74.

Consolidated Morrison gave up 3 cents to C$1.81 on a six-months loss, but **Bank of Nova Scotia**, which raised its dividend, edged up ⅛ to C$21⅛, and **District Trust "A"** gained ¼ to C$8⅜ on higher nine months net profits.

Tokyo

Share prices closed mixed overall following fairly active trading, although fresh buying which was concentrated in Oils, small-sized Steels and Shipping Lines left the Nikkei-Dow Jones Average 21.82 higher at a record postwar peak of 5,662.06.

Numerous Oil shares advanced, led by **General Sekiyu**, which gained Y106 to Y1,010 on Monday's announcement of basic agreement on a capital link-up with Exxon, of the U.S.

Public Works stocks were also higher in further response to the new Government spending package, but some Pharmaceuticals, Machine Manufacturers, Electronics and Foods were lower on profit-taking.

Jaccs strengthened Y36 to Y805, while **Nippon Shimpan** moved ahead Y19 to Y809, **Ito-Yokado** Y80 to Y1,840 and **Kyoto Ceramic** Y50 to Y3,730, but **JAL** declined Y40 to Y2,880.

Paris

A majority of shares finished lower on balance after profit-taking more than erased an initial further market rise. Trading was fairly active.

A raising of the Call Money rate back to 7⅜ per cent from 7¼ adversely affected later sentiment.

Most Banks, Constructions and Hotels recorded net losses, but Foods advanced, including **Carrefour**, up 31 to FFr 1,800 in response to increased first-half pre-tax profits.

Aquitaine lost 18 to FFr 542, **Bouygues** 25 to FFr 825 and **Rhone Poulenc** 3.1 to FFr 114.0, but scattered bright spots included **Generale Occidentale**, **Cie-Fonderie**, **Veuve-Cliquot**, **Printemps**, **Redoute**, **Sogerap**, **Sommer-Allibert**, **Maritime-Chargeurs** and **Penarroya**.

Germany

With some profit-taking in evidence yesterday, the market closed on a mixed note and the Commerzbank index was unchanged at its eight-year high of 839.3.

Banks gave up part of their gains scored on Monday, with **Deutsche Bank** losing DM 2.00, **Bayerische Vereinsbank** DM 4.00 and **Commerzbank** 80 pfennigs.

Among Electricals, **Siemens** receded DM 2.00 but **AEG**, in a lively business, rose DM 1.00. Elsewhere, **Mannesmann** shed DM 1.20 and **Lufthansa** DM 2.50, but **Krupp** advanced DM 3.50 and **Horten**, in Stores, gained DM 1.70.

Bonds were quiet, but with public Authority issues slightly firmer on balance. The Bundesbank sold DM 1.3m nominal of stock. Mark Foreign Loans were little changed.

Milan

Strong demand from both local and Overseas investors which was focused on Blue Chips carried the whole market higher. The Banca Commerciale Italiana index climbed 1.58 to 73.32, a new 1978 high.

Bastogi recovered 31 to L661, while **Beni Stabali**, still buoyed by terms for the merger with Bastogi, made further headway.

Despite late profit-taking, **Snia Viscosa** finished 32 higher at L1,070, **Olivetti Privileged** 25 up at L1,280 and **Fiat** 30 stronger at L2,340.

Australia

After Monday's dull showing, stocks were firmer inclined yesterday, helped by a return of Overseas buyers for some market favourites.

CRA, following the previous day's sharp reaction, recouped 18 cents at A$3.70, while other Diamond speculatives also improved, **Northern mining** rising 10 cents to A$1.70, **Carr Boyd** 4 cents to 58 cents, **Alkane** 3 cents to 33 cents and **Golden Plateau** 5 cents to A$1.15.

Among Coals, **White Industries** moved ahead 11 cents more to A$3.85 and **Howard Smith** added 5 cents at A$4.40. Good results failed to move **Coal and Allied**, however, which held steady at A$4.60.

Elsewhere in Minings, **Associated Minerals** advanced 8 cents to A$1.45 but **Hamersley** receded 10 cents to A$2.25.

Uraniums continued to trade nervously amid uncertainty over the future of the various Northern Territory prospects.

Queensland Mines fell 13 cents to A$3.85, **Peko-Wallsend** 10 cents to A$6.40 and **Pancontinental** 30 cents to A$15.20.

Oil stocks involved in the Boggo Creek oil find attracted renewed support, with **Bridge Oil** gaining 10 cents to A$1.35 and **AOG** 8 cents to 70 cents.

BHP improved 8 cents to A$8.38 and **CSR** 6 cents to A$3.58, while Banks were also favoured. Retailers, however, were unsettled by news of sharply lower profits from **Waltons**, which retreated 8 cents to 80 cents. **Myer** shed 2 cents to A$1.61.

Johannesburg

Diamond share **De Beers** featured with an advance of 50 cents to R8.30 on U.S. demand prompted by week-end Press comment.

Gold issues were mostly higher following a small business, with Mining Financials firmer in sympathy. Platinums were unchanged to a fraction lower, while Coppers held steady. The Industrial sector was narrowly mixed.

Hong Kong

After relinquishing a little more ground at the start, the market moved ahead in the afternoon in moderate activity. The Hang Seng index was finally 8.40 up on the day at 689.31.

Some operators held off until results of major land sales to be held here today are known, but **Hong Kong Land** picked up 10 cents to HK$13.70. Similar gains occurred in **Hutchison Whampoa**, HK$7.15, **Jardine Matheson** HK$19.30, and **Swire Pacific "A,"** HK$10.90, but **Wheelock** eased 2½ cents to HK$3.875.

Hong Kong and Kowloon Wharf recovered HK$3.50 more to HK$35 after its recent fall while the Warrants were marked up to HK$109 from HK$94.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax. ♥ Pta 500 denom. unless otherwise stated. ♣ DKr 100 denom. unless otherwise stated. ✣ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

Indices

NEW YORK—DOW JONES

	Sept. 12	Sept. 11	Sept. 8	Sept. 7	Sept. 6	Sept. 5	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	906.44	907.74	907.74	895.71	896.79	886.81	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds*	89.56	89.45	89.41	89.51	89.18	89.27	90.56 (4/1)	86.76 (11/7)	—	—
Transport	260.09	260.62	261.49	259.25	258.82	254.67	261.49 (8/9)	199.31 (9/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	107.58	107.75	107.92	107.21	107.41	107.44	110.98 (5/1)	102.84 (22/3)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	34,400	39,670	42,170	40,380	42,700	32,170	—	—	—	—

* Basis of Index changed from August 24

Ind. div. yield %	Sept. 8	Sept. 1	Aug. 25	(Year ago approx)
	5.21	5.38	5.26	5.25

STANDARD AND POORS

	Sept. 12	Sept. 11	Sept. 8	Sept. 7	Sept. 6	Sept. 5	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡ Industrials	118.71	118.67	118.48	116.88	116.85	115.82	118.71 (12/9)	86.52 (6/3)	154.64 (11/1/73)	3.52 (30/6/32)
§Composite	106.99	106.98	106.79	105.42	105.38	104.49	106.99 (12/9)	86.90 (6/3)	125.86 (11/1/63)	4.40 (1/6/32)

	Sept. 6	Aug. 30	Aug. 23	Year ago (approx.)
Ind div. yield %	4.67	4.76	4.69	4.55
Ind. P/E Ratio	10.08	9.89	10.02	9.71
Long Gov. Bond yield	8.37	8.42	8.37	7.54

N.Y.S.E. ALL COMMON

Sept. 12	Sept. 11	Sept. 8	Sept. 7	1978 High	1978 Low
60.38	60.38	60.24	59.50	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Sept. 12	Sept. 11	Sept. 8
Issues traded	1,915	1,920	1,923
Rises	674	919	1,141
Falls	795	634	429
Unchanged	446	367	353
New Highs	—	—	—
New Lows	—	—	—

MONTREAL

	Sept. 12	Sept. 11	Sept. 8	Sept. 7	1978 High	1978 Low
Industrial	211.32	211.56	209.22	(u)	211.55 (12/9)	162.50 (16/2)
Combined	217.47	217.71	215.59	(u)	217.71 (12/9)	170.82 (30/1)
TORONTO Composite	1286.6	1,288.2	1280.4	1264.9	1288.2 (11/9)	998.2 (30/1)
JOHANNESBURG Gold	(u)	248.7	249.5	256.5	272.0 (14/8)	183.0 (20/4)
Industrial	(u)	264.8	265.2	265.7	265.8 (6/9)	194.9 (13/3)

	Sept. 12	Pre-vious	1978 High	1978 Low
Australia (*)	553.42	552.10	554.96 (1/9)	441.19 (1/3)
Belgium (‖)	100.13	99.65	101.16 (6/5)	90.43 (23/6)
Denmark (**)	97.18	97.03	98.95 (14/8)	94.00 (6/2)
France (††)	76.2	76.1	76.5 (5/8)	47.5 (3/2)
Germany (‡‡)	839.3	839.3	839.3 (11/9)	768.4 (17/5)
Holland (§§)	93.1	93.1	93.1 (11/8)	76.0 (4/4)
Hong Kong (¶¶)	689.31	680.91	707.70 (4/8)	383.44 (13/1)
Italy (‖‖)	73.32	71.74	73.32 (12/9)	56.45 (10/1)
Japan (a)	426.72	426.19	427.75 (5/9)	364.04 (4/10)
Singapore (b)	408.51	413.38	41?.60 (8/9)	262.0 (9/1)

	Sept. 12	Pre-vious	1978 High	1978 Low
Spain (d)	10?.09	(c)	110.?? (9/6)	??.68 (17/3)
Sweden (e)	391.01	389.65	41?.0? (4/8)	325.74 (3/1)
Switzerl'd (f)	286.9	289.7	303.7 (14/2)	219.0 (25/4)

Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300—1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec., 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Pan-Amer. Airways	1,111,300	10	−⅛
National Airlines	550,500	37½	+1⅜
Holiday Inns	510,300	28⅛	+1⅛
Arlen Realty	445,900	4⅞	+⅛
Ramada Inns	397,600	11⅛	+⅛
Firestone Tire	377,000	13	+⅛
Bally Mfg.	314,300	67⅛	+4⅛
Del. E. Webb	301,500	32⅛	+1⅛
Southern Co.	300,800	15½	−⅛
Caesars World	263,000	54⅜	+7½

OSLO

Sept. 12	Price Kroner	+ or −	Div. %	Yld. %
Bergen Bank	101	+1	9	8.9
Borregaard	82	+1	—	—
Creditbank	113.5	+0.5	11	8.8
Kosmos	295	+10	20	6.8
Kreditkassen	111		11	9.9
Norsk Hydro Kr.20	245	−1	12	3.9
Storebrand	100.00	−1.25	7	7.0

BRAZIL

Sept. 12	Price Cruz	+ or −	Cruz. Div.	Yld. %
Acesita	0.97	−0.02	0.12	12.37
Banco do Brazil	1.64	−0.04	.1?	69
Banco Itau PN	1.40	−.?4	.??	26.42
Belgo Mineira OP	1.18	−.?5	.0?	.77
Lojas Amer. OP	3.?0	−0.05	.??	5.55
Petrobras PP	2.38	−0.02	.15	.46
Pirelli OP	1.53		0.16	10.45
Souza Cruz OP	2.05	+.?3	.??	.71
Unip PE	5.72	+0.01	.25	4.37
Vale Rio Doce PP	1.22	−0.01	.1?	14.75

Turnover: Cr.91.0m. Volume: 33.9m.
Source: Rio de Janeiro SE.

JOHANNESBURG

MINES

	Rand	+ or −
Anglo American Corpn.	6.40	+0.15
Charter Consolidated	†4.00	+0.02
East Driefontein	14.20	+0.05
Elsburg	2.10	+0.05
Harmony	7.05	+0.25
Kinross	7.15	+0.30
Kloof	10.60	−0.05
Rustenburg Platinum	1.70	
St. Helena	†16.20	+0.20
Southvaal	10.00	+0.20
Gold Fields SA	24.00	+0.25
Union Corporation	5.80	+0.10
De Beers Deferred	8.30	+0.50
Blyvooruitzicht	8.00	+0.10
East Rand Pty.	5.60	+0.10
Free State Geduld	†32.50	+0.60
President Brand	16.25	−0.35
President Steyn	16.00	+0.40
Stilfontein	5.10	+0.05
Welkom	†5.60	+0.05
West Driefontein	42.50	+1.00
Western Holdings	36.00	
Western Deep	15.20	+0.20

INDUSTRIALS

	Rand	+ or −
AECI	3.25	
Anglo-Amer. Industrial	10.50	
Barlow Rand	4.32	+0.02
CNA Investments	†1.95	−0.03
Currie Finance	0.90	+0.05
De Beers Industrial	†12.00	
Edgars Consolidated Inv.	2.75	+0.05
Edgars Stores	†32.50	+1.00
EverReady SA	2.00	
Federale Volksbeleggings	1.87	+0.02
Greatermans Stores	3.10	
Guardian Assurance (SA)	2.37	
Huletts	1.80	−0.02
LTA	‡2.10	
McCarthy Rodway	1.05	
NedBank	2.70	
OK Bazaars	†7.50	+0.05
Premier Milling	†5.85	−0.08
Pretoria Cement	†3.25	−0.03
Protea Holdings	1.37	
Rand Mines Properties	2.50	+0.05
Rembrandt Group	3.60	
Retco	0.43	
Sage Holdings	1.50	
SAPPI	2.30	+0.03
C. G. Smith Sugar	4.95	
SA Breweries	1.48	+0.01
Tiger Oats and Natl. Mlg.	11.60	+0.10
Unisec	1.15	−0.01

Securities Rand U.S.$0.76¼
(Discount of 33.7%)

SPAIN ♥

September 12	Per cent	
Asland	128	—
Banco Bilbao	305	−4
Banco Atlantico (1,000)	241	−2
Banco Central	319	−6
Banco Exterior	275	−3
Banco General	281	−4
Banco Granada (1,000)	148	−2
Banco Hispano	263	−2
Banco Ind. Cat. (1,000)	184	−2
B. Ind. Mediterraneo	200	—
Banco Popular	254	−6
Banco Santander (250)	333	+5
Banco Urquijo (1,000)	266	−3
Banco Vizcaya	257	−3
Banco Zaragozano	288	—
Bankunion	153	—
Banus Andalucia	195	−2
Babcock Wilcox	29	—
CIC	82	—
Dragados	286	+1
Inmobanif	70	−1
E. I. Aragonesas	52	+1.50
Espanola Zinc	101	—
Expl. Rio Tinto	93	−2
Fecsa (1,000)	66.75	—
Fenosa (1,000)	65	—
Gal. Preciados	79	+1
Grupo Velazquez (400)	165	—
Hidrola	78.25	—
Iberduero	85	−1
Olarra	112	—
Papeleras Reunidas	52.50	−2
Petroliber	220	—
Petroleos	205.75	−0.25
Sarrio Papalera	43	—
Sniace	45	—
Sogefisa	127	—
Telefonica	80	—
Torras Hostench	87	—
Tubacex	93	—
Union Elec.	72.25	−0.25

BASE LENDING RATES

A.B.N. Bank	10 %
Allied Irish Banks Ltd.	10 %
American Express Bk.	10 %
Ambro Bank	10 %
A P Bank Ltd.	10 %
Henry Ansbacher	10 %
Banco de Bilbao	10 %
Bank of Credit & Cmce.	10 %
Bank of Cyprus	10 %
Bank of N.S.W.	10 %
Banque Belge Ltd.	10 %
Banque du Rhone	10½%
Barclays Bank	10 %
Barnett Christie Ltd.	11 %
Bremar Holdings Ltd.	11 %
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10 %
Canada Perm't Trust	10 %
Capitol C & C Fin. Ltd.	10 %
Cayzer Ltd.	10 %
Cedar Holdings	10½%
■ Charterhouse Japhet	10 %
Choulartons	10 %
C. E. Coates	10 %
Consolidated Credits	10 %
Co-operative Bank	*10 %
Corinthian Securities	10 %
Credit Lyonnais	10 %
The Cyprus Popular Bk	10 %
Duncan Lawrie	10 %
Eagil Trust	10 %
English Transcont.	11 %
First Nat. Fin. Corp.	11½%
First Nat. Secs. Ltd.	11 %
■ Antony Gibbs	10 %
Greyhound Guaranty	10 %
Grindlays Bank	‡10 %
■ Guinness Mahon	10 %
■ Hambros Bank	10 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†10 %
Julian S. Hodge	11 %
Hongkong & Shanghai	10 %
Industrial Bk. of Scot.	10 %
Keyser Ullmann	10 %
Knowsley & Co. Ltd.	12 %
Lloyds Bank	10 %
London Mercantile	10 %
Edward Manson & Co.	11½%
Midland Bank	10 %
■ Samuel Montagu	10 %
■ Morgan Grenfell	10 %
National Westminster	10 %
Norwich General Trust	10 %
P. S. Refson & Co.	10 %
Rossminster	10 %
Royal Bk. Canada Trust	10 %
Schlesinger Limited	10 %
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11 %
Standard Chartered	10 %
Trade Dev. Bank	10 %
Trustee Savings Bank	10 %
Twentieth Century Bk.	11 %
United Bank of Kuwait	10 %
Whiteaway Laidlaw	10½%
Williams & Glyn's	10 %
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%, 1-month deposits 7¼%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7¼%, and over £25,000 7½%.
‡ Call deposits over £1,000 7%.
§ Demand and deposits 7½%.

NEW YORK

CANADA

† Bid. ‡ Asked. § Traded. ¶ New stock.

GERMANY ◆

Sept. 12	Price Dm.	+ or −	Div. %	Yld. %
AEG	84.1	+1.0	—	—
Allianz Versich	515	+1	31.2	3.0
BMW	227.5	−0.5	28.12	6.2
BASF	140.9	−0.1	18.76	6.7
Bayer	14?.1		18.75	6.6
Bayer-Hypo	294	−1	28.12	4.8

TOKYO ¶

Sept. 12	Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	340		14	2.1
Canon	4?0	−2	12	1.4
Casio	809	+10	25	1.5
Chinon	415	−3	20	2.4
Dai Nippon Print	5?3	+3	18	1.6
Fuji Photo	564	−4	15	1.3

Source Nikko Securities, Tokyo

AUSTRALIA

AMSTERDAM

BRUSSELS/LUXEMBOURG

PARIS

SWITZERLAND ✣

COPENHAGEN ♣

STOCKHOLM

MILAN

VIENNA

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS

The boundary confrontation between Chile and Argentina

Deepening growls over the Beagle Channel

BY ROBERT LINDLEY IN BUENOS AIRES

THE POSSIBILITY of a war between Argentina and Chile over the boundary dispute in the area of the Beagie Channel, at the southern tip of South America, has—so to speak—evolved to stage three, the fourth stage being the actual outbreak of hostilities. The first stage was reached in March last year, when the Argentine government announced that if the award of the International Arbitration Court, sitting in Geneva, went against Argentina, then the regime here unilaterally would declare the award null and void, notwithstanding the fact that Argentina, like Chile, had approved of each member of the court.

It was a promise which the Argentine government kept the following month when the award, which granted islands and waters in the Atlantic Ocean to Chile and which was ratified by the British Crown, was handed down. The Argentine stand, as stated by Admiral Emilio Massera, who steps down as navy commander-in-chief and member of the three-man military junta on September 15, is: "Argentina in the Atlantic and Chile in the Pacific."

The second stage was reached in February this year, when a summit meeting between Argentina's and Chile's *de facto* Presidents, Gen. Jorge Rafael Videla and Gen. Augusto Pinochet, respectively, just managed to avert an outbreak of hostilities. The two Presidents agreed that there would be a 180-day negotiation period — a last-ditch try to solve the dispute peacefully. Those often-interrupted negotiations, which so far have achieved nothing except a postponement of the showdown, are scheduled to end on November 2.

That stage number three is upon us has been made about as clear as it could be by bellicose declarations made in recent weeks by Argentine officials. The general tenor of these declarations, which appear daily in the Argentine Press, is exemplified by an article in the Buenos Aires daily Clarin signed by Osiris Villegas, the retired Army general who has been an advisor to the Foreign Minister, Admiral Oscar Montes, on the boundary dispute. A war with Chile, writes Gen. Villegas, "may be the only alternative." According to Gen. Villegas, Argentina must gird itself for the fight.

The Chilean government and citizenry alike—secure in the knowledge that the arbitration award favours Chile and that if there is armed conflict, Argentina inevitably will be considered the aggressor nation internationally—are paying less lip service to the possibility of war than are the Argentine government and people. But both countries can be said to be on a war footing. Chile, with a population of 10.5m compared to Argentina's 25m, has only 60,000 men under arms compared to Argentina's 135,000. Both countries, however, are lining up their armed forces, reserve personnel and, generally, clearing their decks. The Pinochet regime has created a corps of "women police commandos" who are experts in armaments, the manufacture of explosives and crowd control, and the Argentine navy has formed a women's officers academy.

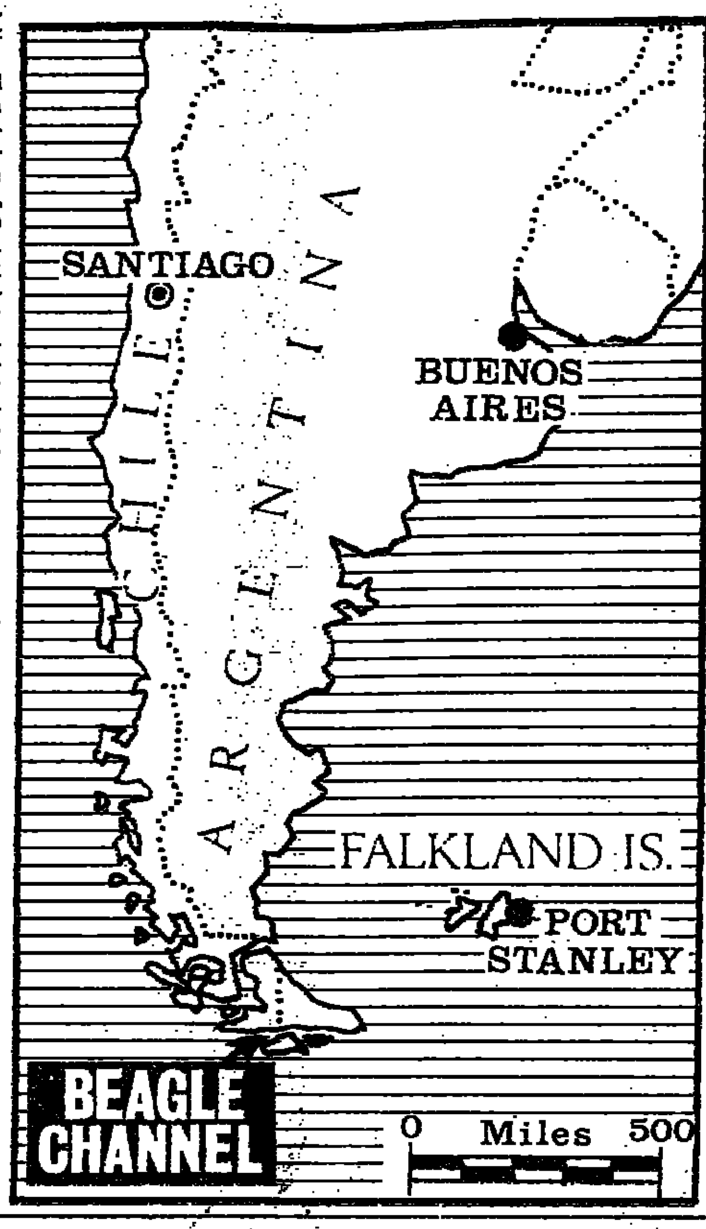
A Chilean-Argentine war probably would not be a something which would serious indeed between countries which share a mile frontier. It would li be restricted to the area dispute. It is known th Argentine Navy has a pl occupy Chilean territory, blitzkrieg tactics, up vir to the city limits of Arenas and use the con land for negotiating pu The Chilean governme believed to have a simila tingency plan of expansio Argentine Patagonia, Chileans live in great nu

Already the Arg government has expelled Patagonia more than Chileans whose papers not in order, so as to fewer "spies in the hou one Argentine newspape termed it. This aspect Chilean-Argentine war be especially costly in terms. There is a Chilean population in Arg and a sizeable Argentine tion in Chile. The ugl "concentration camps" is used a lot here these day

Blackout drills are und in southern Argentine ci prepare the population eventuality of air raids. Argentines have ready hospitals and other inf ture apparatus for war.

The foreign complicati a Chilean-Argentine w course would by myriad. believed that of the five republics which bord either Argentina or Ch both, only Paraguay Uruguay would remain neutral. Bolivia, which outlet to the sea to Chile war of the Pacific ne century ago, already has with Argentine. Peru, lost an entire province in the same war, is als Argentine in the dispute Brazil, which has problem Argentina over the develo of the upper Parana allegedly is pro-Chile.

Notwithstanding all th "spirit of Puerto Montt," Presidents Videla and Pi gained a six-month bre spell in the dispute last might still prevail. Just did at that summit meeti two Presidents are themselves somewhat ind ent of their negotiator conceivably could bring another summit, an exten the negotiation period. this month, Gen. Pinoche Gen. Videla a gift which reminder of Argentine-C co-operation in the past. gift was a portrait of Be O'Higgins, the Chilean n hero who joined forces Argentina's "liberator," J San Martin, to win this South America's indepe from Spain



FARMING AND RAW MATERIALS

UK 'may run out of frozen peas'

BY CHRISTOPHER PARKES

AT LEAST ONE major vegetable processor is having to import peas for freezing after a disastrous growing season, and retail prices seem certain to go up by 4p to 6p a pound in the near future, consumers were warned yesterday.

Mr. Mick Coburn, president of the UK Association of Frozen Food Producers, said the shortage might be so severe that Britain could run out of frozen peas before the beginning of next year's season.

His own company, Findus, was already importing peas from Sweden to meet its needs. But there was not much hope of finding enough supplies abroad to meet expected demand.

Other parts of Western Europe had had just as bad a season as Britain.

Supplies were short on the West Coast of the U.S. and the only other place in the world which produced British-style peas was New Zealand where the crop was harvested in December.

Mr. Coburn said that this year's pea yields in Britain were 28 per cent lower than in 1977 because of the abnormally wet summer. The weather produced big plants with few pods and waterlogging also led to unusually high losses from disease.

Frozen pea prices had already risen 1p a pound to 37p in the past two weeks, and Mr. Coburn forecast that they could go up to as much as 43p by the end of the year.

A Findus spokeswoman said that while the broad bean and sprout crops appeared to be satisfactory, the green bean crop had been even more severely affected by the weather than peas.

Output of green beans was 30 to 40 per cent lower than last season. Prices would probably have to go up by 6p on a 37p pack of ¾ lb.

Mr. Coburn claimed that processors had not made any worthwhile profits on frozen peas for three to four years. Their markets had been undermined by "cowboy" farmers, he said. These producers had no contracts to produce peas but simply grew them, froze them in public cold stores and sold them off to anyone willing to put them in a pack and distribute them.

This year they, too, would probably not have many peas to sell.

At the end of last season, because of low prices for fresh vegetables after a bumper crop of almost every variety, pea freezers found themselves left with large carry-over stocks.

These were taken into account when they came to sign contracts with their regular growers. Farmers protested, but they had to accept an acreage cut and a price freeze.

But then, against expectations, fresh vegetable prices began to harden and consumer demand for frozen peas revived dramatically.

"We sold up all our stocks," Mr. Coburn said. "Then we had a lousy pea season. And now it looks as though we will not have enough to see us through to next near."

Tin surges on supply fears

By John Edwards, Commodities Editor

TIN PRICES surged up again on the London Metal Exchange yesterday on fears of a new supply "squeeze" developing. Standard grade cash tin gained £165 to £7,290 a tonne and is now close to the record levels reached at the end of last year.

Three months tin is already at a record high, and gained a further £65 to £7,067.5.

Main feature of the market was some strong buying of cash metal and nearby supply dates, which widened the premium of the cash price over three months by £100.

It is expected that there could well be some more heavy outgoings from the Metal Exchange warehouse stocks, which are already at a dangerously low level.

A large proportion of available supplies is believed to be held by one or two powerful groups. At the same time tin shipments from Penang have been thrown into disarray by the Malaysian Mining Company's recent decision to market its own tin production rather than the traditional method of having it sold by the smelters.

This effectively means that offerings on the Penang market have been reduced by about 20 per cent, and the delivery date for spot purchases has lengthened to as much as 50 days ahead.

It is feared that it may not be considered before Congress goes into recess in early October, postponing any action until next year.

Consumers who held off buying in expectation of stockpile releases are now being forced to come into a market where supplies are extremely scarce, or at least tightly held.

Dealers are confident, however, that the higher cash price will attract supplies to the market eventually. There was an improvement in offerings on the Penang market overnight and London dealers will be anxiously watching to see whether Malaysia will follow the upsurge in London.

FIBRE MARKET

Way cleared for jute promotion scheme

BY K. K. SHARMA

NOW THAT INDIA and Bangladesh have largely settled their political differences on sharing hte Ganges waters, it is expected by UN agencies that the long-stalled talks on the formation of Jute International will be resumed.

Jute International is a producer-consumer agency for undertaking a global research promotion and marketing drive to increase the production and consumption of jute.

First recommended by a UN fact-finding mission in 1971, the proposal for setting up the agency has been accepted by four major jute producers—India, Bangladesh, Thailand and Nepal. This was agreed as long ago as 1973 and soon after that a charter for Jute International was worked out.

However, negotiations on establishing an institution to run the agency became stalled when political differences between India and Bangladesh developed over the sharing of the Ganges waters.

Under the scheme already agreed Jute International will be based at New Delhi and membership will be open to all countries producing and/or exporting jute. Research work is to be handled at a regional technical centre to be opened in Dacca, capital of Bangladesh. Jute International is expected to carry out a worldwide sales promotion campaign based on extensive market research.

Four regional offices—in the Americas, Eastern Europe Western Europe and the Far East—are to assist the worldwide drive to maintain "strong and expanding demand for jute (and "kenaf," a related cord fibre) and their manufacturers and to maximise jute consumption.

In 1973 the annual budget of Jute International was estimated at $10m, of which member countries were to raise $5m while the rest was to come from bilateral and multi-lateral sources. Because of inflation since then, it is expected that the budget will be considerably higher although contributions will be made on the same basis. The agency will have a board of directors comprising representatives of member countries, the UN Development Programme (UNDP) and the World Bank.

The new international agency, on which Unctad has already done considerable work, is being set up mainly to counter the adverse effects of fluctuating demand and prices of jute and jute products because of their importance to the economies of India, Bangladesh and, to a lesser extent, Nepal and Thailand.

In India, nearly 250,000 workers are employed in jute factories while 4m families are directly involved in jute cultivation and another 2m families are employed in jute marketing and ancillary activities.

In Bangladesh, nearly 45 per cent of the country's labour force is involved in jute production. Official estimates are that more than 2m small farmers in the country depend for their livelihood on jute. Raw jute and jute goods exports account for nearly 55 per cent of the country's export earnings. In both countries, farmers have to take difficult decisions on whether or not to cultivate jute or paddy; much depends on prices and these fluctuate violently. Hence, the importance of price stabilisation measures.

Such measures have proved to be difficult and expensive for a single country. Bangladesh, for instance, has unilaterally adopted a policy of maintaining a stable export price. Because of its reliance on a minimum export price without any specific mechanism to regulate export flows, Government agencies have been forced to carry large stocks during periods when supply exceeds demand. The result has been an average year-to-year variation in closing stocks of 26 per cent, inevitably causing strains on the country's economy.

The need for sales promotion has arisen because competition from synthetics—mainly polypropylene—has caused a decline in the world jute demand, particularly in Britain, the EEC, Japan, and, to a lesser extent, the U.S.

Largely because of use of substitutes for carpet backing, projections of jute consumption in 1980 at 3.5m tonnes show only a marginal rise over the 1976 level. It is expected that consumption in the developed countries will fall to 880,000 tonnes but will rise to 1.05m tonnes in the Comecon countries and in developing countries to 1.6m tonnes.

Other reasons—apart from competition from synthetic substitutes—for the fall in demand for jute are instability of supply and trade barriers in Europe. Erratic supply from India and Bangladesh was mainly due to shortfalls in production, strikes in mills and transport delays, coupled with disruption because of war (in 1971).

This led industrialised countries to set up factories making polypropylene and polyethylene and to protect them by creating trade barriers. However, EEC tariffs have been abolished since January 1, 1978, although quota restrictions still exist. Both India and Bangladesh are now negotiating better terms.

Prospects for Jute International are considered bright in view of the informal agreement on indicative prices by an international group of experts from 20 producing and consuming countries meeting under the auspices of the Food and Agriculture Organisation.

This agreement should make it easier to work out "ceiling" and "floor" prices when a buffer stock is finally created.

Big Soviet phosphate discovery

By David Satter

MOSCOW, Sept. 12.

SOVIET SPECIALISTS have discovered a major phosphate deposit in an area of Eastern Siberia near the route of the Baikal Amur railway, the Soviet news agency, Tass, announced.

Tass said the reserves for fertiliser producton would fully meet the needs of the Soviet chemical industry and agriculture, and add a new item to the Soviet export list.

The Soviet Union is the world's largest producer of chemical fertilisers and has been considered nearly self-sufficient in phosphate fertilisers and plants for their manufacture.

Tass gave no details of the new phosphate deposit in Eastern Siberia. But if the costs of developing it in Siberian conditions are not prohibitive, it could be of significant help to the Soviets in meeting their increasing phosphate fertiliser needs.

'Excellent' Soviet grain crop

BY DAVID SATTER

MOSCOW, Sept. 12.

THE SOVIET UNION is reporting an "excellent" harvest although frequent rains have complicated its progress and led to problems in reaping and threshing.

This optimistic assessment was issued by the official Soviet News Agency, Tass, and corroborated by Western agricultural experts who expect the Soviets to come close to achieving the 220m tonne target set for this year.

The grain harvest last year was a disappointing 195.4m tonnes well below the target of 213m tonnes and necessitated cutbacks throughout the domestic economy as well as major grain imports from abroad.

The Soviet Union's record grain harvest was 224m tonnes achieved in 1976. Recently a commentator for the semi-official Novosti press agency, however, predicted that the Soviets would surpass the 220m tonne target this year.

Our Commodities Staff writes: A substantial rise in world wheat production this year compared with 1977 was predicted yesterday by the International Wheat Council.

It estimates that the 1978 harvest will reach 410m tonnes This compares with last year's out-turn of 384.6m tonnes and the record crop of 417.3m tonnes achieved in 1976. Big increases in output in Western Europe, Russia and Asia offset declines in the U.S. and Eastern Europe.

Developed countries should account for 34.8 per cent of output against 36.4 per cent in 1977. Centrally planned economies are expected to account for 43.0 per cent compared with 41.9 per cent last year, and developing countries' share should also rise

Reuter reports that the U.S. Agriculture Department estimates 1978 production for maize and soyabeans at 6,797,650,000 bushels and 1,772,364,000 bushels respectively. Cotton production was expected to reach 11,154,900 bales.

Initial reaction of brokers on the Chicago Board of Trade to the USDA crop estimate was neutral to slightly friendly on soyabeans and extremely bearish on maize

CHINA BUYS SUDAN CLOTH

KHARTOUM, Sept. 12.

China is to buy 70,000 bales of short and medium staple cotton from Sudan under a contract signed with the Comton Public Corporation, the Government-owned concession company which handles exports sales.

China has taken an option on an additional 70,000 bales of various varieties. The contract will form part of a trade agreement due to be signed in Peking next week during a visit there by Mr. Haroun Al Awad, Sudan's Minister of Commerce.

Plentiful apple crop forecast

BY JOHN EDWARDS, COMMODITIES EDITOR

APPLES WILL be more plentiful this year, although hopes of a bumper UK crop had been dashed by a heavy and unexpected "windfall" in July according to Mr. Joe Saphir, chairman of the Saphir group.

Mr. Saphir, speaking at a reception in the House of Commons to launch the northern hemisphere apple season, said there should be adequate choice available for consumers this year.

He anticipated that prices would remain "reasonable," especially for the next month or so when there was competition from the late production of rival fruits, and it was unlikely apple prices would rise above a maximum of 35p a pound this season compared with prices of over 45p a pound last season.

Unusual weather conditions caused a "fall" of apples in July, in addition to the normal "fall" in June, and this is estimated to have reduced the UK apple crop this year to between 330,000 to 360,000 tonnes, against 400,000 tonnes forecast earlier.

This is, however, still well above the disaster crop of 230,000 tonnes in 1977 when the output of Cox apples was particularly badly hit.

Production of Cox is forecast at 120,000 tonnes, more than double the exceptionally low crop of 58,000 tonnes from the 1977 harvest.

Output of Bramleys, cooking apples, is reported to be good and while pears are disappointing, production, at over 44,000 tonnes, is well above the 1977 crop of 38,600 tonnes, although much below the 1976 figure of 66,000 tonnes.

At the same time there has been a significant recovery in overall EEC apple production from last year's "appallingly" low levels.

It is estimated that total EEC crop will be 6.5m tonnes or more compared with just over 5m tonnes last year.

DUTCH COCOA GRINDINGS FALL

THE HAGUE, Sept. 12.

Dutch cocoa bean grindings fell to 6,790 tonnes in August from 11,040 in August, 1977, and 7,380 in July this year, the Central Statistics Office said.

Grindings in the first eight months dropped to 79,640 tonnes from 81,470 in the same 1977 period.

Reuter

Rubber buffer stock plan

BY K. K. SHARMA

THE MOVE to create a buffer stock of at least 100,000 tonnes of natural rubber has gained fresh impetus at the UN conference on technical co-operation among developing countries in Buenos Aires.

The buffer stock is to be formed by the Association of Natural Rubber Producing Countries (ANRPC) and the signatories of the International Natural Rubber Agreement on price stabilisation of 1976.

Size of the buffer stock is to be negotiated. It is thought that 100,000 tonnes will be a beginning since Unctad and ANPRC have previously recommended that it should be at least 375,000 tonnes. Its location is planned at the main international rubber markets at Kuala Lumpur, Singapore, London and New York.

Projections made by the UN are that world consumption of natural rubber will be nearly 5.6m tonnes by 1985. This would require the doubling of natural rubber production in the coming decade.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Barely changed on the London Metal Exchange. Forward metal traded in a £5 range, opening a fraction

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	736-.5	-1.5	738-.5	-1.25
3 months	752.5-3	-1.5	755.5-6	+.5
Settl'm'nt	736.5	-1.5	—	
Cathodes				
Cash	726-.5	-1.75	728-30	-.5
3 months	743.5-4	-.25	746-7	+.25
Settl'm'nt	726.5	-2.5	—	......
U.S. Smt.	624	......	63-66	......

easier at £753.5 and falling to £752.5 owing to lack of interest. In the afternoon, however, the firmness of other base-metals prompted a rally in copper with forward metal rising to £757 before falling back to close on the late kerb at £755. Turnover 34,000 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £736.5, three months £754, 53.5, 53, 52.5. Cathodes, cash £726, three months £744. Kerb: Wirebars, three months £754. Afternoon: Wirebars, three months £755, 55.5, 55, 56, 55.5, 55, 55.5. Kerb: Wirebars, three months £756, 6.5, 56, 55.5, 55.

TIN—Record levels were again seen in forward standard metal. After opening slightly easier at £6,980 and momentarily declining to £6,960 reflecting the downturn in the Penang market forward metal moved up throughout the day to reach an all-time high of £7,090 following some good physical demand, bear covering and fresh buying. However, this level attracted modest profit-taking and the price dipped to £7,075 on the late kerb. A feature of trading was heavy protective borrowing and aggressive buying of nearby dates which caused the backwardation to widen to £220 compared with £140 on Monday. Turnover 2,455 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7175-90	+5.25	7280-300	+165
3 months	7020-35	+12.5	7085-100	+67.5
Settlem't	7190	+30	—	......
Standard				
Cash	7170-80	+40	7280-300	+165
3 months	7000-5	+7.5	7065-70	+65
Settlem't	7180	+40	—	......
Straits E.	$1861	-4	—	......
New York	624	—	—	......

Morning: Standard cash £7,190, 40, 50, 70, three months £6,970, 65, 60, 65, 75, 80, 85, 90, 95, £7,000. Kerb: Standard, three months £7,005, 10, 15, 20, 25, 30, 35. Afternoon: Standard, cash £7,300, three months £7,050, 55, 50, 60, 70, 65, 60, 65. Kerb: Standard, three months £7,065, 70, 75, 80, 78, 75, 70.

LEAD—Strong and fairly active. Forward metal opened £352 and moved ahead quickly to touch £357 following good trade buying of both cash and forward material. Values held steady in the afternoon reflecting the performance of copper, with forward lead edging up to close on the late kerb at £357.5. Turnover 6,300 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	352.5-3	+4.12	352.5-3	+6.25
3 months	357-8	+5.75	357.5-8	+5.12
Sett'm'nt	353	+4.25	—	......
U.S. Spot	—	......	331.33	......

Morning: Cash £348.5, 50.5, 52, 52.25, three months £352, 52.5, 53, 55, 56, 57. Kerb: Three months £357.5, 57, 56.5. Afternoon: Cash £351, three months £355.5, 56, 56.5, 56, 55.5, 56, 56.5, 57. Kerb: Three months £358, 58.5, 58, 57.5.

ZINC—Gained ground. After trading quietly throughout the morning around the £326-7.5 level forward metal moved up strongly in the afternoon, breaching a significant chart point at £330 and climbing further to touch £335 before falling back to close on the late kerb at £334 following aggressive trade and hedge selling. Turnover 4,750 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	317-8	+.75	323-.5	+6.5
3 months	327-.5	+1.12	333-.5	+6.75
S'ment	318	+1	—	......
Prim. west	—	......	29.31	......

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £327, 26.5, 27. Kerb: Three months £327.5, 28. Afternoon: Three months £328, 28.5, 29, 30, 31, 31.5, 32, 32.5, 33, 33.5, 33. Kerb: Cash £323.5, three months £334.5, 35, 34.5.

SILVER

Silver was fixed 0.2p an ounce lower for spot delivery in the London bullion market yesterday at 285.0p. U.S. cent equivalents of the fixing levels were: Spot 549.9c, up 2.5c; three-month 559.5c, up 3.4c; six-month 570.3c, up 3.3c; and 12-month 594.7c, up 3.2c. The apparent contradiction was caused by U.S. dollar/sterling fluctuations. The metal opened at 282.2-283.2p (548½-550c) and closed at 283-284p (550½-552½c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	285p	-0.20	284.1p	+1.00
3 months	289.90p	-0.26	291.1p	+1.05
6 months	297.55p	-0.25	—	......
12 months	313.90p	-0.28	—	......

LME—Turnover 123 (135) lots of 10,000 ozs. Morning: Three months 289.5, 90, 90.1, 90.2. Kerbs: Three months 290.5. Afternoon: Three months 290.7, 90.9, 90.3, 90.9, 91, 91.1. Kerbs: Three months 291.1, 1.2, 1.4, 1.2, 1.3, 1.2.

COFFEE

ROBUSTAS moved ahead strongly in the morning and aggressive dealer buying caused a £40 advance on the opening. Values remained steady and Commission House buying prompted another rise in the afternoon as New York C contract recorded 4 cent limit gains. Final levels were at the highs, £75 up on balance. Dealers said the day's firmness confirmed Monday's reversal and reflected anxiety over producer attitudes in the approaching ICO meetings.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
September	1610-15	+40.5	1625-1591
November	1523-24	+71.0	1525-1470
January	1460-54	+75.0	1455-1405
March	1375-80	+75.0	1376-1355
May	1331-40	+70.5	1340-1295
July	1305-15	+75.0	1300-1278
September	1280-90	+62.0	1285-1260

Sales: 3,828 (3,604) lots of 5 tonnes.

ICO Indicator prices for Sept. 11 (U.S. cents per pound): Colombian Mild Arabicas 182.50 (same); Unwashed Arabicas 153.00 (same); other mild Arabicas 151.33 (151.67); Robustas ICA 1976 144.75 (145.25); Robustas ICA 1968 145.25 (145.75). Daily average 148.04 (148.46).

ARABICAS—All unquoted.

COCOA

The market opened steadier than expected and after a dip recovered before profit-taking pared some gains at the close, Gill and Duffus reported.

COCOA	Yesterday's Close	+ or —	Business Done
No. 3 Contr't			
Sept.	2040.0-40.5	+25.00	2045.0-12.0
Dec.	2031.0-33.0	+18.00	2045.0-05.0
March	2021.0-22.0	+10.50	2045.0-1996
May	2017.0-18.0	+20.50	2030.0-1990
July	1989.0-2000	+20.50	2001.0-1972
Sept.	1970.0-80.0	+16.50	1970.0-60.0
Dec.	1955.0-45.0	+10.00	1945.0-20.0

Sales: 4,665 (6,415) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price Sept. 11: 170.77 (169.39). Indicator prices Sept. 12: 15-day average 158.41 (156.91); 22-day average 156.77 (156.04).

GRAINS

LONDON FUTURES (GAFTA)—Wheat opened 5p lower and initially traded 15p lower where good commercial support was seen which increased values to close firm on lack of offers unchanged to 5p up. Barley opened unchanged, but values eased on liquidation of longs on distant options to close fairly weak 10-35p lower on the day, Acli reported.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
Sept.	85.60	+0.05	78.25	-0.10
Nov.	87.30	......	80.10	-0.20
Jan.	90.20	+0.05	82.75	-0.30
Mar.	92.60	......	85.15	-0.50
May	95.15	......	87.60	-0.55

Business done: Wheat—Sept. 85.50-85.40, Nov. 87.35-87.15, Jan. 90.20-89.95, March 92.60-92.50, May 95.20-95.00. Sales: 87 lots. Barley—Sept. 78.30-78.20, Nov. 80.15-80.10, Jan. 82.75-82.90, March 85.20-85.20, May 87.75-87.55. Sales: 165 lots.

HGCA—Location ex-farm spot prices Other milling wheat: N.E. England £86.00 Berks and Oxon £84.00. Feed wheat: N.E. England £80.40 Berks and Oxon £79.60. Feed barley: N.E. England £72.70, Berks and Oxon £73.00.

UK monetary co-efficient for the week from Sept. 18 is expected to remain unchanged.

IMPORTED—Wheat: CWRS No. One 13½ per cent. Sept. £92.00, Tilbury, seller. U.S. Dark Northern Spring No. Two 14 per cent, Sept. £81.50, Oct. £82.00, Nov. £83.50, transhipment East Coast, sellers. U.S. Hard Winter Ordinary, Sept. £81.50, Oct. £82.00, quoteds, transhipment East Coast. EEC Milling 10½ per cent protein, Sept. £97.50, Oct. £98.50, East Coast, quoteds. Other EEC and Australian, Argentine and Soviet grades unquoted.

Maize: U.S./French Sept. £100.50, Oct. £101.00, transhipment East Coast, sellers; S. African White Sept./Oct. £58.50 sellers, Glasgow: S. African Yellow Sept./Oct. £59 Glasgow, sellers.

Sorghum: U.S./Argentine, Sept. £100 quoted transhipment East Coast.

Barley and Oats: Unquoted.

EEC IMPORT LEVIES—Premiums effective for Sept. 13 (in order current levy plus Oct., Nov. and Dec. premiums, with previous in brackets). All in units of account per tonne. Common wheat—82.69, rest nil (82.69, rest nil); Durum wheat—124.62, 0.32, 0.3, (nil) (124.62, rest nil); Rye—86.05, rest nil (85.41, 0.64, 0.64, 0.64). Barley—85.03, rest nil (85.03, rest nil); Oats—71.58, rest nil (75.59, rest nil). Maize (other than hybrid for seeding) 78.87, 1.27, 1.27, 0.90 (79.07, 1.27, 1.27, 0.96). Buckwheat—All nil; Millet—42.12, rest nil (42.12, rest nil). Grain sorghum—79.40, rest nil (79.40, 0.92, 0.32, nil); Flour levies: Wheat or mixed wheat and rye flour—126.01, (126.61). Rye flour—131.37 (130.47).

RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing quiet. Lewis and Peat reported a Malaysian go-down price of 248 cents (buyer, Oct.) compared with 249 cents at the last close.

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business done
Oct.	58.90-59.60	59.75-60.25	—
Nov.	60.00-60.40	60.65-61.10	—
Oct-Dec	60.10-60.30	60.65-61.10	60.10
Jan-Mar	62.55-62.65	63.25-63.30	62.75-62.60
Apr-Jne	64.55-64.65	65.10-65.15	65.10-64.60
Jy-Sept	66.30-66.35	66.70-66.80	66.50-66.20
Oct-Dec	67.85-67.95	68.35-68.45	—
Jan-Mar	69.55-69.60	69.80-69.95	69.55-69.50
Apr-Jne	71.30-71.40	71.35-71.45	71.30-71.10

Sales: 377 (869) lots of 15 tonnes and 94 (1) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 59p (59.75); Oct. 59.50p (60.25); Nov. 60.40 (60.75).

SOYABEAN MEAL

After opening a little higher the market drifted back 60 points on expectations of a weak Chicago opening. Physicals and terminal tended to mark time in front of the USDA report. SNW Commodities reported.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
October	116.80-14.3	+0.15	16.50
December	116.80-16.9	-0.05	17.20-16.50
February	117.70-17.9	-0.55	18.00-17.90
April	118.50-19.5	-0.15	—
June	120.10-21.0	+0.80	—
August	120.00-22.0	-0.50	—
October	120.00-23.0	-0.75	—

Sales: 57 (98) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £103.00 (£105.00) a tonne cif for Sept.-Oct. shipment. White sugar daily price was fixed at £110.00 (£111.00).

Prices quickly lifted at the opening, some 100 points above kerb closing levels. Then the market was confined in a narrow range in good two-way trading conditions, C. Czarnikow reported.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Oct.	104.85-04.90	104.65-04.70	105.50-03.00
Dec.	106.80-06.90	106.75-06.90	107.50-06.25
March	112.85-13.00	112.90-13.00	113.75-11.25
May	115.90-16.00	116.00-16.10	116.50-15.00
Aug.	119.75-19.90	119.75-20.10	120.50-18.50
Oct.	124.00-25.25	123.15-23.35	125.50-22.50
Dec.	126.75-27.80	127.00-27.20	127.00

Sales: 3,312 (3,856) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.95 (same) a tonne for home trade and £163.80 (£165.80) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port)—Prices for Sept. 11: Daily 8.28 (7.99); 15-day average 7.30 (7.42).

WOOL FUTURES

LONDON—Dull and featureless, Bache reported.

(Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
October	229.0-5	-1.0	—
December	232.0-38.0	-1.5	—
March	254.0-57.0	-1.5	—
May	255.0-38.0	-1.5	—
July	256.0-39.0	-1.5	—
October	256.0-40.0	-1.5	—
December	258.0-41.0	-1.5	—
March	258.0-41.0	-1.5	—

Sales: Nil (same) lots of 1,500 kg.

SYDNEY GREASY (in order buyer, seller, business, sales)—Micron Contract: Close: Oct. 340.5, 340.8, 340.5-340.0, 12; Dec. 349.5, 349.7, 349.6-349.0, 15; March 357.5, 357.9, 357.5-356.5, 13; May 360.6, 361.5, 360.9-360.0, 5; July 366.1, 367.0, 366.5-366.0, 11; Oct. 369.0, 370.0, 369.5-369.5, 1; Dec. 372.0, 374.8, 373.9-372.5, 10; March 373.5, 377.0, nil. Total sales: 69.

NEW ZEALAND CROSSBREDS—Market quiet. Close (in order, buyer, seller): Dec. 181.0-184.0, March 184.5-186.5, May 185.0-188.0, July 185.0-188.0, Oct. 185.0-187.0, Dec. 185.0-187.0., March 185.0-188.0. Sales: Nil.

MEAT/VEGETABLES

MEAT AND LIVESTOCK COMMISSION—Average fatstock prices at representative markets on September 12: GB cattle 66.33p per kg. l.w. (−1.45); UK sheep 141.8p per kg. est. d.c.w. (+3.6); GB pigs 65.8p per kg.l.w. (+1.7). England and Wales—Cattle numbers down 0.2 per cent, average price 67.4p (−1.59); sheep down 14.3 per cent, average price 142.1p (+3.7); pigs up 1.3 per cent, average price 66.0p (+1.9). Scotland—Cattle numbers up 9.4 per cent, average price 70.74p (−1.23); sheep up 33.9 per cent, average price 131.9p (+5.0); pigs up 15.6 per cent, average price 64.3p (no change).

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 54.0 to 58.0; Ulster hindquarters 64.0 to 66.0; Ulster forequarters 36.0 to 38.0; Eire hindquarters 64.0 to 66.0; Eire forequarters 36.0 to 38.0. Veal: English fats 62.0 to 72.0; Dutch hinds and ends 82.0 to 88.0. Lamb: English small 58.0 to 62.0; English medium 54.0 to 59.0; English heavy 54.0 to 56.0; Scotch medium 54.0 to 58.0; Scotch heavy 54.0 to 58.0; NZ PL 54.0 to 55.0; NZ YLs 50.5 to 51.5. Pork: English, under 100 lbs 37.0 to 46.0; English, 100-120 lbs 38.0 to 44.0; English, 120-160 lbs 36.0 to 42.0. Grouse: Young best (each) 180.0 to 200.0. Partridges: Young (each) 200.0-240.0.

COVENT GARDEN (prices in sterling per package except where stated)—Imported produce: Lemons—Italian: 100/120 new crop 6.00-6.50; Spanish: Trays 3.00. Boxes 5.60-6.00; Sth. African: 9.00-9.50. Oranges—Sth. African: Valencia Late 4.30-5.30; Brazilian: Valencia Late 3.50-3.90. Grapefruit—Dominican: 6.40. Tangerines—Brazilian: per box 3.8-3.50. Apples—French: New crop Golden Delicious 20 lbs 72s 2.10-2.40; 40 lbs 4.70, Stark Crimson 20 lbs 84 2.70, 72 3.60; Portuguese: Golden Delicious per pound 0.09. Pears—French: Guyot 28 lbs box 3.30, Williams 4.00, Alexandrines 2.80. Packham's Triumph 3.60; per pound Italian: Guyot 0.14, Williams 0.17-0.19. Peaches—Italian: Hale 1½ trays 2.30-2.60, other varieties 1.80-2.30; French: 1.50. Grapes—Per pound Cyprus: Alphonse Lavallee 0.25, Thompson 0.32, Rosaki 0.20, Sultana 0.25; French: Alphonse Lavallee 0.20; per 5 kilos Italian: Regina 1.80-2.60, Cardinal 3.50. Plums—Italian: per pound Stanley 0.14, Giant Prunes 0.10-0.11; Hungarian: Switzens 13 lbs 1.30. Bananas—Jamaican: per pound 0.15. Avocados—Kenya: Fuerte 14/24s 3.50-4.30; Sth. African: Fuerte 3.60-4.30. Capsicums—Dutch: per 5 kilos 3.30. Onions—Spanish: 3.20; Dutch: 2.00-2.20, Picklers 10 kilos 1.30. Tomatoes—Dutch: 2.30; Guernsey: 2.60; Jersey: 2.40. Melons—Spanish: Yellow 8/14 1.30-2.80.

English produce: Potatoes—Per 25 kilos 1.20-1.50. Lettuce—Per 12 round 0.80, Cos 1.00, Webbs 1.00. Cucumbers—Per tray 12/24s new crop 1.00-1.20. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Grenadier 0.04, Lord Derby 0.05, Bramleys 0.07-0.09, Cox's Orange Pippin 0.10-0.14, Discovery 0.06-0.10, Tydeman's 0.04-0.08, Worcester Pearmain 0.04-0.10. Pears—Per pound Dr. Jule 0.05, Williams 0.08. Plums—Per pound Belle 0.10, Pershore 0.06, Victoria 0.06-0.10. Damsons—Per pound 0.18. Tomatoes—Per 12 lbs English 2.0-2.20. Cabbages—Per crate 0.80. Celery—Per head 0.08. Cauliflowers—Per 12 Lincoln 1.50-1.60. Runner Beans—Per pound Stick 0.06. Beetroot—Per 28 lbs 0.60. Carrots—Per 28 lbs 0.50-0.80. Capsicums—Per pound 0.25. Courgettes—Per pound 0.10. Onions—Per bag 1.70-1.90, Picklers 2.50. Swedes—Per 28 lbs 0.60-0.70. Turnips—Per 28 lbs 1.00. Parsnips—Per 28 lbs 1.30-1.40. Sprouts—Per pound 0.08-0.09. Cobnuts—Per pound Kent 0.35. Corn Cobs—Each 0.06-0.08.

AUSTRALIAN WOOL EXPORTS DOWN

MELBOURNE, Sept. 12.

Australian wool exports dropped 24.9 per cent to 601.50m kilos, greasy equivalent, in the 1977-78 season ended June 30 from 800.52m in 1976-77, the Australian Wool Corporation said in its latest "monthly perspective."

Exports to all major customers dropped during the season. Japan cut its purchases to 178.72m kilos from 247.85m, the USSR to 79.79m (89.20m) and Italy 45.10m (70.48m).

Reuter

PRICE CHANGES

Prices per tonne unless otherwise stated.

	Sept. 12 1978	+ or —	Month ago
Metals			
Aluminium	£710		£680
Free market (c/s)	$1075/85		$1045/65
Copper cash W.Bar	£738.25	-1.25	£736.5
3 months do. do.	£755.75	+0.5	£754.25
Cash Cathode	£729	-0.5	£732
3 months do. do.	£746.5	+0.25	£750
Gold Troy oz.	$208.375	+1.25	$211.125
Lead cash	£352.75	+6.25	£326.5
3 months	£357.75	+6.125	£330.75
Nickel			
Free Market (cif)(lb)	$1.80 1.93		$1.77 1.90
Platinum troy oz.	£130		£124.5
Free Market	£136.30	-0.10	£139.6
Quicksilver (76lb.)	$125/30		$125/30
Silver troy oz.	285p	-0.20	286.6p
3 months	289.90p	-0.25	293.8p
Tin Cash	£7,290	+165	£6,670
3 months	£7,067.5	+65	£6,582.5
Tungsten (z)	$137.82		$134.5
Wolfram 22.04 lbs	$140/44		$134/38
Zinc cash	£323.25	+6.5	£329
3 months	£333.25	+6.75	£330.125
Producers	$625		$625
Oils			
Coconut (Phil)	$785r	-5	$665
Groundnut	£706	+10	£648
Linseed Crude (v)	£327		£331
Palm Malayan	$592	-18	$551
Seeds			
Copra Phillip	$520	-15.5	$450
Soyabean (U.S.)	$267.9	+1.9	$256.25
Grains			
Barley EEC	†		†
Home Futures	£80.10	-0.20	£81.65
Maize			
French No. 3 Am	£101r		£100
Wheat			
No. 1 Red Spring	£92r		£90.5
No. 2 Hard Winter	£82.00	-0.75	
English Milling †	£89.50		£93
Cocoa shipment	£2,072	+12	£1,860
Future Dec.	£2,032	+17	£1,480.5
Coffee Future Nov.	£1,525.5	+72	£1,205
Cotton 'A' Index	74.15c	+0.15	72.1c
Rubber kilo	59p	-0.75	54p
Sugar (Raw)	£103	-2	£94
Wooltops 64s kilo	278p		281p

Price in tonnes unless otherwise stated. * Nominal. † New crop. ‡ Unquoted. m June-Aug. n July-Sept. q Sept. r Oct. s Sept.-Oct. u Nov. w Dec. x Per ton. z Indicator price.

FINANCIAL TIMES

Sept. 12	Sept. 11	Month ago	Year ago
253.80	252.54	246.49	244.45

(Base: July 1, 1952=100)

REUTERS

Sept. 12	Sept. 11	Month ago	Year ago
1484.7	1489.1	1440.4	1496.5

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Sept. 12	Sept. 11	Month ago	Year ago
Spot	382.13	381.14	373.87	370.97
Futures	381.09	378.39	329.50	365.89

(Average 1924-25-26=100)

MOODY'S

Moody's	Sept. 12	Sept. 11	Month ago	Year ago
Sple Commty	939.0	940.0	887.0	937.8

(December 31, 1931=100)

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.60-£5.40, codlings £2.80-£3.50; large haddock £5.00-£5.70; medium £3.80-£4.60, small £2.70-£3.20; medium plaice £5.40-£5.60, best small £4.20-£4.70; large skinned dogfish £9.00 medium £8.00; large lemon soles £7.00, medium £6.60; rockfish £2.80-£3.00; saithe £2.00-£2.40.

LIVERPOOL COTTON—Spot and shipment sales amounted to 270 tonnes bringing the total for the week so far to 904 tonnes, W. F. Tattersall reported. Fair offtake continued with interest in both North and South American varieties. Support was forthcoming in African growths.

U.S. Markets

NEW YORK, Sept. 12.

Cocoa—Sept. 174.50 (171.65), Dec. 172.20 (169.30), March 169.30, May 166.20, July 163.55, Sept. 161.65, Dec. 157.65. Sales: 976 lots.

Coffee—"C" Contract: Sept. 163.25-163.50 (156.63), Dec. 150.13 bid (146.13), March 140.40 bid, May 135.75 bid, July 133.75 bid, Sept. 132.00 bid, Dec. 129.00 bid. Sales: 563 lots.

Copper—Sept. 63.55 (63.55), Oct. 63.85 (64.20), Nov. 64.45, Dec. 65.05, Jan. 65.50, March 66.30, May 67.30, July 68.15, Sept. 68.80, Dec. 69.95, Jan. 70.25, March 70.90, May 71.55, July 72.20. Sales: 4,000 lots.

Cotton—No. 2: Oct. 62.65-62.70 (62.39), Dec. 64.95-65.00 (64.77), March 67.15, May 68.20-68.25, July 68.35-68.37, Oct. 65.55-65.70, Dec. 65.70-65.75. Sales: 4,650 bales.

*Gold—Sept. 207.30 (206.20), Oct. 208.40 (207.30), Nov. 209.90, Dec. 211.50, Feb. 214.70, April 218.00, June 221.40, Aug. 224.80, Oct. 228.30, Dec. 231.80, Feb. 235.30, April 238.80, June 242.40. Sales: 15,500 lots.

†Lard—Chicago loose 26.25 (25.75). NY prime steam 28.75 (27.25).

‡Maize—Sept. 215¼-215½ (215), Dec. 224¼-224½ (224), March 233¼-233½, May 239½, July 242½, Sept. 243½.

§Platinum—Oct. 261.10-261.60 (259.60), Jan. 263.80-264.00 (261.80), April 266.40, July 269.40-269.80, Oct. 272.10-272.30, Jan. 275.00, April 278.50-275.70. Sales: 760 lots.

‡Silver—Sept. 547.50 (545.60), Oct. 548.90 (547.40), Nov. 553.90, Dec. 557.90, Jan. 561.70, March 569.90, May 578.50, July 587.30, Sept. 596.20, Dec. 609.90, Jan. 614.60, March 624.00, May 633.60, July 643.00. Sales: 10,000 lots. Handy and Harman spot: 548.50 (542.00).

Soyabeans—Sept. 651 (653½), Nov. 651-649 (650½), Jan. 656½-657, March 663½-664, May 666½-668, July 666½, Aug. 661.

Soyabean Oil—Sept. 26.30 (26.50), Oct. 25.25-25.28 (25.52), Dec. 24.45-24.40, Jan. 24.15, March 23.95-23.90, May 23.75-23.80, July 23.55, Aug. 23.55-23.40.

‖Soyabean Meal—Sept. 179.20-178.40 (179.90), Oct. 173.30-173.60 (171.60), Dec. 173.30-173.00, Jan. 174.20-174.10, March 175.50, May 177.00-176.10, July 177.20, Aug. 177.20.

Sugar—No. 11: Oct. 7.89-7.91 (7.90), Jan. 8.45 (8.46), March 8.55-8.56, May 8.72-8.78, July 8.94, Sept. 9.18, Oct. 9.25, Jan. unquoted. Sales: 5,730.

Tin—640.00-645.00 nom. (636.00-667.00 nom.).

**Wheat—Sept. 332½ (333½), Dec. 331½-331¾ (332½), March 330½-330, May 327½, July 316, Sept. 319 nom.

WINNIPEG, Sept. 12. ††Rye—Oct. 93.00 bid (90.80), Nov. 91.80 bid (91.20 nom.), Dec. 92.50 bid, May 96.50 bid, July 96.00.

††Oats—Oct. 73.30 (72.20), Dec. 73.00 bid (71.10 bid), March 73.10 bid, May 73.80, July 73.40.

‡‡Barley—Oct. 70.40 (69.90), Dec. 72.60 asked (72.00 asked), March 73.60 asked, May 74.30 asked, July 74.60 bid.

§§Flaxseed—Oct. 254.00 (253.00), Nov. 255.00 asked (253.50 bid), Dec. 253.00, May 257.00, July 255.00.

‖‖Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 171.74 (173.12).

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounce—100-ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob NY bulk tank cars. ‡ Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. § $s per troy ounce for 50-oz units of 99.9 per cent purity delivered NY. ¶ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered fob cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60-lb bushel in store. †† Cents per 34-lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. ‖‖ $C per tonne.

U.S. ZINC STOCKS FALL

NEW YORK, Sept. 12.

U.S. slab zinc stocks held by smelters declined to an estimated 58,863 short tons at end-August, from a revised 66,250 tons at end July, the American Bureau of Metal Statistics said.

The decline in slab zinc stocks held by smelters in August was the seventh consecutive monthly decrease.

Reuter

STOCK EXCHANGE REPORT

Fresh rise tempered by concern about wages outlook

30-share index up 2.1 at twelve-month high of 526.4

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug. 21	Aug. 31	Sep 1	Sep. 12
Sep. 4	Sep. 14	Sep. 15	Sep. 26
Sep. 18	Sep. 28	Sep. 29	Oct. 10

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets tended to wilt a little yesterday after a fresh bout of buying interest had taken the Industrial leaders into new high ground. Although encouraged by the favourable trend in the wholesale price indices and retail sales, underlying sentiment was overshadowed by the CBI's report that the Government's new 5 per cent wage restraint policy is likely to be challenged by a string of claims ranging from 20 and 30 per cent. The FT 30-share index was at the best of the day at the 1 pm calculation, with a rise of 4.6, but eased to close 2.1 up on balance at 526.4, the highest level for nearly a year.

Demand for the leaders was on a reduced scale, but buying thought to be on behalf of Merchant Banks found the market short of stock and produced a flurry around mid-day in the leaders. Once this had subsided, however, small profit-taking developed. Uncertainty about the outcome of the BL situation was also an inhibiting factor and contributed to the modest turnround.

Overall conditions were firm, but buying interest in secondary issues appeared to become more selective. Rises led falls by about seven-to-two in FT-quoted Industrials and the FT-Actuaries All-Share index improved 0.6 per cent more to an all-time peak of 239.59. Against the trend, Insurance Broking shares were unsettled by *the poor interim statement from Willis Faber, down 20 at 263p.*

British Funds passed another lifeless session. In common with the equity market, interest here was restrained by fears about the wages outlook and there was also a reluctance to enter into new commitments ahead of tomorrow's announcement of the August trade figures. Short-dated stocks drifted off by ⅛ in the absence of any worthwhile support, but the longer maturities barely stirred from overnight closing levels.

Institutional and arbitrage interest accounted for the bulk of a good volume of business in investment currency. After extremes of 96¼ and 94¾ per cent, the premium closed near the lower end of the range at 94½ per cent for a net loss of 1¼ points. Yesterday's SE conversion factor was 0.6828 (0.6872).

The volume of business in Traded Options reached record levels when the number of contracts done totalled 1,269, slightly more than the previous high recorded on July 18. A particularly heavy trade was transacted in ICI, in which 367 contracts were dealt.

Recently-issued **Cartiers Superfoods** found support in a market short of stock and improved 3 more to 84p.

Willis Faber down

Disappointing interim profits coupled with the chairman's warning about the full-year outcome unsettled **Willis Faber**, which fell to 260p before closing 20 down on the day at 263p. Other Insurance Brokers generally eased in sympathy. **Christopher Moran** ended a peny off at 62p following uninspiring annual results, while **C. T. Bowring** closed 2 lower at 117p. Composites, on the other hand, made modest progress with **Sun Alliance** 6 dearer at 560p and **GRE** 4 to the good at 250p.

Features in the banking sector were few. However, Australians were firm on domestic market influences and **Bank of New South Wales** put on 20 to 610p, while rises of 14 and 13 respectively were seen in **ANZ**, 318p, and **Commercial Bank of Australia**, 233p. Elsewhere, **Fraser Ansbacher** hardened a fraction to 11½p on news that the M and G Recovery Fund had increased its shareholding to just under 10 per cent.

Distillery shares continued firmly in a light trade, **Distillers** hardening 2 to 211p and **A. Bell** 3 more to 286p.

Buildings displayed no set trend during a small turnover. **Newarthill** firmed 3 to 164p and **SGB** improved a like amount to 177p, the latter aided by a Press mention, but further consideration of the lower annual profits left **Robert M. Douglas** a penny cheaper at 101p. **Magnet and Southerns** found support at 228p, up 5, but **London Brick**, at 75½p, gave back half of Monday's rise of 3.

After a cautious start, **ICI** moved ahead to touch a high for the year of 418p before drifting lower to end just a penny up on balance at 414p. Elsewhere, sporadic investment interest in a thin market raised **Hickson and Welch** 5 to 225p, while **Croda International** improved a penny to 60½p ahead of tomorrow's first-half results. In contrast, news of the second-half profits setback left **Stewart Plastics** 10 down at 156p.

Midland Ed. jump

Responding further to the April retail sales figures, which confirmed the continued boom in consumer spending, leading Stores moved higher still. **Gussies A** put on 4 more to 330p, while **House of Fraser**, 176p, and **Debenhams**, 98p, gained 2 apiece. Favourable comment in front of today's interim results helped **UDS** advance 3 more to 107p, but profit-taking after the recent upsurge on bid hopes brought respective reactions of 6 and 3 in **Burton** ordinary, at 186p, and A, at 180p. Elsewhere, **Midland Educational** were marked up 30 after hours in response to the 150p per share cash bid from Pentos and improved further on the board's immediate rejection of the offer to finish 35 higher on balance at 155p. **Pentos** closed 5 lower at 107p, after having been steady earlier on the interim results. **Arthur Henriques** were wanted at 26p, up 5, while similar improvements were seen in **Empire**, 182p, **Freemans**, 395p, and **Church**, 176p. **Henderson Kenton** added 3 more to 90p on consideration still of the chairman's optimistic statement.

Electricals contributed their share of firm spots. **GEC** closed 4 up at 326p, after 328p, and similar improvements were recorded in **Thorn Electrical**, 392p, and **Derritron**, 25p. **BSR**, at 105p, recouped 3 of Monday's loss of 4 which followed the interim results. **M.K. Electric** rose 8 further to 239p, while **Racal Electronics**, 338p, and **Muirhead**, 218p, put on 11 and 13 respectively.

Vickers moved against the trend in Engineerings, losing 4 to 207p, after 206p, on adverse comment; the interim results are due on September 28. **John Brown** attracted renewed investment support and rose to 492p before finishing 4 higher on balance at 490p, while **GKN** closed a similar amount beter at 276p ahead of Friday's first-half results. Secondary issues were featured by **Davy International**, up 8 more at 282p, and **Matthew Hall**, 6 better at 248p. The dividend-boosting rights isue, which accompanied higher interim earnings, helped **Astbury and Madeley** advance 3 to 63p, while **Banro Consolidated** gained 4 to 68p in response to increased first-half profits. **Barton and Sons** hardened 1½ to 72½p, after 73p, also after trading news. **M. L. Holdings** improved 5 more to 210p, still on hopes that the group might soon be awarded a U.S. defence contract.

British Sugar found renewed support in Foods and rose 9 to 142p, while gains of around 5 were recorded in **Alpine Soft Drinks**, 158p, and **Tate and Lyle**, 183p, the interim results of the last named are due today week. **Goldrei Foucard** reflected revived bid speculation with a rise of 3 to 88p, but **Danish Bacon "A"** were 4 off at 112p, after 110p, reflecting news of the first-half profits setback. Hotels and Caterers were notable for activity in **Trust Houses Forte**, which closed 5 better at 236p, after 237p.

Reckitt & Colman good

A selective investment demand brought fresh improvements to the miscellaneous Industrial leaders but the best levels were not always held. **Reckitt and Colman**, however, were an exception, and closed 15 higher at the day's highest of 530p following the better-than-expected interim results. Comment on the satisfactory interim profits performance helped **Bowater** improve 4 more to 209p, after 211p, while **Unilever** rose 8 to 600p. **Turner and Newall** improved a penny to 180p in front of today's interim results. Elsewhere, hopes of a counter bid, possible from Allied Textiles, helped **Compton Sons and Webb** advance 4 to a 1978 peak of 61p, while fresh support in front of today's interim results lifted **Thomas Tilling** 5 more to 148p. **Sketchley**, at 136p, recorded a Press-inspired gain of 8 and **Extel** rose 6 to 129p, after 130p, following the announcement that Racal Electronics has acquired a 5 per cent stake. **Wilson Walton** rebounded swiftly after the previous day's setback of 9 on adverse comment to end 8 better at 40p.

Movements in Motors and Distributors were usually limited to a penny or two in either direction. **Glanfield Lawrence** moved up 3 to 34p on a small investment demand, while **Abbey Panels**, 54p, and **Supra**, 56p, put on 2 apiece.

Leading Properties were again neglected and closed little changed, but selected secondary issues encountered further investment support. In response to the recently announced 200 per cent scrip issue, **Apex** advanced 10 to 250p, while speculative interest raised **Regional** Ordinary and A 2 to 80p and 75p respectively. **Hammerson A** firmed 7 to a high for the year of 632p and, in a thin market, **Churchbury Estates** added a like amount at 325p, while **Berkeley Hambro** revived 5 to 139p. Demand arose for **Daejan**, 2 to the good at 111p, and **Property Security Investment**, 3 up at 169p, but Westminster, a good market of late on possible acquisition news, shed a penny to 27½p.

BP steady

The Oil leaders virtually marked time with **British Petroleum** hardening marginally to 900p, and **Shell** remaining at 590p. Late selling ahead of today's interim results brought **Burmah** back from 89p to close a net 3 cheaper at 85p while profit-taking after Monday's good first-half figures left **Tricentrol** 2 easier at 182p. **Ultramar** lost 4 to 242p on small offerings. Speculative activity continued in **Oil Exploration**, which traded between 208p and 218p before settling 2 higher on balance at 216p. **Siebens UK** remained a volatile market and once early profit-taking had been absorbed rebounded from 380p to close 6 up on balance at 400p.

Overseas Traders had opposing movements in **Nigerian Electricity**, 5 cheaper at 208p on small selling in front of today's interim figures, and **J. E. Sanger**, 4 better 35p following the announcement that the Gulf Asia Pacific Group has acquired a 10 per cent shareholding.

Investment Trusts attracted a better business and closed firmly. **Tor Investment** capital hardened 3 to 123p after the preliminary figures, while similar improvements were recorded in **London and Montrose**, 205p, and **New Throgmorton** capital, 157p. Financials were featured by **Park Place Investments**, 4 better at 38p, following news that Siemssen Hunter has disposed of the major part of its shareholding. **Challenge Corporation** rose 4 to 140p, but **Haw Par** reflected Far Eastern advices with a fall of 5 to 76p.

Lofs returned to favour, rising 2½ to 34p, while other Shippings also made headway.

John Haggas, a firm market of late, dropped 2 to 124p on disappointment with the preliminary results. Elsewhere in Textiles, **Illingworth Morris A** eased following the chairman's statement to end 1½ lower at 30½p. **British Mohair**, however, hardened a penny to 53p, reflecting the improved first-half profits performance.

All six Malaysian companies currently considering proposals to amalgamate under a new holding concern by means of a Scheme of Arrangement attracted buyers' interest and closed at the day's best following a lively trade. **Majedie Investments** rose 7½ to 77p, while gains of around 10 were recorded in **Bradwall (FMS)**, 63p, **Chersonese (FMS)**, 56p, **Muar River**, 62p, and **Sungei Krian**, 93p. **Sekong Rubber** were raised 25 to 550p in a thin market. Elsewhere in Plantations, **Williamson Tea** responded to the substantially increased earnings with a rise of 7 to 160p. **Warren**, 12 up at 233p, moved higher in sympathy.

Golds up again

A further strengthening of the bullion price, finally $1.25 up at $208.375 per ounce, prompted renewed firmness in South African Gold shares with the Gold Mines index 4.2 higher at 179.7.

Prices were marked up at the outest of trading, reflecting their firmness in overnight U.S. markets, and thereafter remained steady until the after-hours trade when revived American interest saw them edge further ahead. Heavyweights registered improvements of up to a half-point as in **Free State Geduld**, £18¾, while gains of ¼ were common to **Randfontein**, £37¾ and **Vaal Reefs**, £15¼.

Among medium priced issues **Winkelhaak** were prominent at 771p, up 29, while **Southvaal** rose 16 to 575. The marginal **Durban Deep** put on 17 to 429p. Another marginal producer, **Leslie** climbed 3 more to 69p—a two-day rise of 8—on further consideration of the better-than-expected final dividend announced late on Friday.

De Beers continued to feature in South African Financials; after opening at 471p owing to heavy overnight buying in the U.S. the shares fell away to 462p on local and Cape selling before rallying strongly in the afternoon, following renewed transatlantic support, to close 18 higher on balance at 471p, after a 1978 high of 475p.

Other South African Financials gained ground in sympathy with De Beers. **Anglo American Investment Trust** climbed £2¾ to £48 and **Anglo American Corporation** 6 to 362p.

London-registered Financials continued to respond to the firmness of UK equities. **Selection Trust** rose 4 more to 516p, after a 1978 high of 518p, and **Charter** 6 to a high of 166p.

Cornish tin producers were in demand following the record tin price on the London Exchange. **Geevor** were 3 at a new high of 155p and **Crofty** added 2 at 39p.

Australians, although generally firmer, traded quietly with mostly reflecting the gains in overnight domestic markets. Diamond were particularly strong; **Riotinto** advanced 12 to

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sep. 12	Sep. 25	Dec. 7	Dec. 19
Sep. 26	Oct. 9	Dec. 28	Jan. 9
Oct. 10	Oct. 23	Jan. 11	Jan. 23

For rate indications see end of Share Information Service

Stocks favoured for the call included Fitch Lovell, UBM, Burmah Oil, Thomson Organisation, Westward TV, South Crofty, Culter Guard Bridge, Silvermines, Sears, Spillers, Leboff Fobel, Ultramar, Parkland Textiles A, Associated Fisheries, Imps, Wilson Walton, Allebone, Unigate, Valor, Charterhall, J. E. Sanger, Winston Estates, Bishopsgate Platinum and Cons. Gold Fields. A put was done in Spillers, while doubles were arranged in UDT, Culter Guard Bridge and Burmah Oil. A short-dated call was transacted in Ward White, while a put was traded in Cullen's Stores.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (202)

COM'WEALTH & AFRICAN LOANS (1)
AMERICANS (1)
CANADIANS (3)
BANKS (12)
BEERS (4)
BUILDINGS (1)
CHEMICALS (6)
DRAPERY & STORES (15)
ELECTRICALS (10)
ENGINEERING (27)
FOODS (4)
INDUSTRIALS (55)
LEISURE (3)
MOTORS (2)
NEWSPAPERS (2)
PAPER & PRINTING (3)
PROPERTY (10)
SHOES (1)
TEXTILES (4)
TRUSTS (14)
OILS (2)
RUBBERS (4)
TEAS (1)
MINES (7)

NEW LOWS (2)

COM'WEALTH & AFRICAN LOANS (1)
S. Rhod. 6pc '78-81
TEAS (1)
Moran

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	1	18	58
Corpns., Dom. and Foreign Bonds	5	5	52
Industrials	534	160	847
Financial and Prop.	252	43	213
Oils	18	8	17
Plantation	18	9	12
Mines	78	7	51
Recent Issues	12	7	18
Totals	893	257	1,268

FINANCIAL TIMES STOCK INDICES

	Sept. 12	Sept. 11	Sept. 8	Sept. 7	Sept. 6	Sept. 5
Government Secs.	70.40	70.44	70.57	70.35	70.53	70.52
Fixed Interest	71.75	71.82	71.84	71.74	71.88	71.78
Industrial Ordinary	526.4	524.3	517.0	508.7	505.5	503.5
Gold Mines	179.7	175.5	175.1	181.3	186.9	186.1
Ord. Div. Yield	5.11	5.13	5.19	5.27	5.30	5.30
Earnings, Y'ld% (full) (*)	14.77	14.68	15.07	15.62	15.65	15.83
P/E Ratio (net) (*)	8.99	8.93	8.81	8.62	8.57	8.36
Dealings marked	5,635	5,623	5,182	4,554	4,932	4,370
Equity turnover £m.	—	85.70	93.08	75.97	67.88	75.46
Equity bargains total	—	18,821	16,232	15,371	15,498	15,354

10 am 525.2. 11 am 523.8. Noon 525.3. 1 pm 529.9. 2 pm 525.6. 3 pm 527.8.
Latest Index 01-246 8026.

* Based on 52 per cent corporation tax. † Nil=8.77.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (3/1)	68.79 (5/6)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	70.73 (6/6)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	526.4 (12/9)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8)	130.3 (6/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 12
—Daily	
Gilt-Edged	145.6
Industries	226.0
Speculative	56.7
Totals	132.8
5-day Average	
Gilt-Edged	138.6
Industrials	198.8
Speculative	43.6
Totals	118.9

LONDON TRADED OPTIONS

Option	Ex'rcise price	October Closing offer	October Vol.	January Closing offer	January Vol.	April Closing offer	April Vol.
BP	750	157	1	166	—	—	—
BP	800	107	—	116	—	142	—
BP	850	57	9	91	—	108	—
BP	900	30	—	65	—	80	2
BP	950	12	12	33	1	55	—
Com. Union	140	19	15	21	10	25	—
Com. Union	160	3½	15	11	1	13½	—
Com. Union	180	1	—	5	—	7	—
Cons. Gold	160	37	—	58	—	45	—
Cons. Gold	180	21	1	25	30	34	—
Cons. Gold	200	6½	—	15½	5	22	—
Courtaulds	100	25	—	26	—	—	—
Courtaulds	110	17	—	18	3	21	—
Courtaulds	120	7½	17	12	10	15	—
Courtaulds	130	3½	—	7	29	10½	1
GEC	220	110	—	116	—	—	—
GEC	240	90	15	97	—	101	—
GEC	260	70	—	77	2	85	—
GEC	280	50	12	59	1	63	—
GEC	300	31	—	45	23	54	30
GEC	330	11	—	26	88	35	13
Grand Met.	100	21	22	26½	—	28½	—
Grand Met.	110	12½	10	18	3	19½	4
Grand Met.	120	5½	30	10	37	13½	4
ICI	330	87	—	87	5	91	18
ICI	360	57	16	57	106	66	2
ICI	390	27	43	36	25	46	26
ICI	420	8½	74	21	22	25	30
Land Secs.	180	67	5	69	—	73	—
Land Secs.	200	47	30	50	10	55	—
Land Secs.	220	27	20	35	11	37½	8
Land Secs.	240	11½	139	18½	—	24½	5
Land Secs.	260	4	—	10	27	16½	6
Marks & Sp.	60	35½	—	35½	—	37	—
Marks & Sp.	70	25½	—	25½	14	28	—
Marks & Sp.	80	15½	25	17	28	19	14
Marks & Sp.	90	7½	15	10	16	12½	19
Shell	500	95	1	98	7	113	—
Shell	550	46	—	56	11	71	3
Shell	600	15½	30	29	14	45	—
Totals			547		529		184

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
ICI	£1	20	414	+1	418	328
BP	£1	11	900	+2	926	720
GEC	25p	11	326	+4	328	233
BATs Defd.	25p	10	285	−3	304	227
De Beers Defd.	R0.05	10	474	+18	474	285
Distillers	50p	10	211	+2	212	163
GUS "A"	25p	9	330	+4	330	258
Racal Electronics	25p	9	338	+11	[illegible]	[illegible]
UDS	25p	9	107	+3	107	82
Beecham	25p	8	740	—	[illegible]	[illegible]
British Printing	25p	8	55½	+2	56	39
European Ferries	25p	8	137	—	141½	99
Shell Transport	25p	8	590	—	602	484
NatWest	£1	7	280	—	298	230
Unilever	25p	7	600	+8	600	476

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
66	F.P.	31/8	86	71	Cartiers Superfoods	84	+3	b2.41	3.1	4.3	7.6
[illegible]	F.P.	—	12½	4	Emray	10½					
85	F.P.	24/8	94	85	Hunting Petr. Services	92	+2	4.65	3.0	7.7	6.5
115	F.P.	8/9	156	138	Jones (E.) (Jew'lrs) 10p	156	+2	b5.5	2.1	5.3	15.4

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price	+ or −
10p	—	13/10	15p	13p	Audiotronic 12% Conv. Prf.	15p	+½
£99¾	F.P.	—	100	99¼	Camden Var. Rate Red. 1983	99½	−¼
£100	£50	15/12	51¾	50¼	Do. 12¼% Red. 1986	50¾	
99p	nil	—	3½pm	2pm	Hill & Smith 14% 1st Deb. 2000-03	3½pm	+½
£100	F.P.	8/12			Howard & Wyndham 18% Cns. Ln. 86-91	101	
£99½	F.P.	—	99⅝	99⅛	Kensington and Chelsea Var. Rate 1983	99⅛	−⅛
[illegible]		5/11	79	78	Latham James 8% Cum. Pref.	79	
[illegible]	F.P.	—	[illegible]	[illegible]	Mooloya 12% Partly Conv. Uns. Ln. '86-'88	85	
£100	F.P.	—	[illegible]	99¼	Northampton Var. Rate Red. 1983	99¼	
£100p	F.P.	1/9	101p	99	Pitman 10% Cum. Pref.	99½	
£99¾	F.P.	—	[illegible]	98½	Strathclyde Var. Rate 1983	98½	−¼
£99¾	F.P.	—	[illegible]	99⅛	Wandsworth Variable 1983	99⅛	−¼

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −
66	Nil	19/9 27/10	7pm	4pm	Aaronson Bros.	5pm	+½
285	Nil	22/9 27/10	55pm	42pm	B.T.R.	52pm	−1
[illegible]	Nil	—	40	32	Bank of Montreal	34	
390	nil	—	26pm	24pm	Barlow Rand	25pm	
50	F.P.	30/8 24/11	74	67	Beckwoe Hodge	70	
44	Nil	—	10½pm	7½pm	British Printing	10½pm	+2
118	Nil	21/9 3/11	19pm	16pm	Church	19pm	
FF110	Nil	—	20pm	20pm	Cie. Fr. Petroles	20pm	
65	Nil	22/9 13/10	10½pm	9pm	Dorada	10½pm	
[illegible]	68p	—	Nil pm	Nil pm	Globe and Phoenix	Nil pm	
75	nil	—	10pm	8pm	Hill & Smith	8pm	−1
74	Nil	25/9 27/10	12½pm	10pm	Initial Services	12½pm	
10	Nil	—	2pm	1pm	††Kunick Hldgs.	1½pm	
70	F.P.	10/8 21/9	96	79	Leech (Wm.)	94	+1
77	F.P.	11/9 27/10	87pm	82pm	Lex Service	87	+1½
94	F.P.	31/8 4/10	111	104	Property Partnerships	110	
40	nil	—	38pm	30pm	Ratners (Jewellers)	38pm	+1
200	Nil	—	94pm	66pm	Ricardo Eng.	94pm	+4
100	F.P.	25/8 22/9	122	113	Williams J'm'sBs.9.5% CrCmRdPf	122	
84	F.P.	18/8 15/9	104	90	Yorkshire Chemicals	99	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues., Sept. 12, 1978 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net) Corp. Tax 52%	Mon., Sept. 11 Index No.	Fri., Sept. 8 Index No.	Thur., Sept. 7 Index No.	Wed., Sept. 6 Index No.
1	CAPITAL GOODS (171)	251.78	+0.6	15.39	4.93	8.90	250.21	247.66	243.51	242.48
2	Building Materials (27)	222.79	—	15.79	5.04	8.74	222.69	220.55	216.15	215.29
3	Contracting, Construction (28)	414.34	−0.1	16.81	3.79	8.64	414.70	410.21	405.40	404.17
4	Electricals (14)	560.01	+1.2	12.93	3.31	10.69	553.52	545.01	536.76	532.58
5	Engineering Contractors (14)	362.66	+1.0	17.75	5.74	7.60	358.99	356.70	351.17	348.91
6	Mechanical Engineering (72)	202.61	+0.6	16.24	5.36	8.22	201.48	199.90	195.48	194.48
8	Metals and Metal Forming (16)	177.13	+0.9	15.89	8.02	8.57	175.53	174.42	173.09	174.86
11	CONSUMER GOODS (DURABLE) (52)	224.82	+1.0	15.59	4.71	8.93	222.51	221.07	217.72	217.69
12	Lt. Electronics, Radio TV (15)	277.51	+1.7	13.57	3.69	10.31	272.99	271.41	266.34	266.77
13	Household Goods (12)	185.99	+1.4	16.20	6.09	8.51	183.44	182.56	181.09	180.07
14	Motors and Distributors (25)	134.44	—	18.78	6.09	7.39	134.49	133.42	131.95	131.60
21	CONSUMER GOODS (NON-DURABLE) (174)	225.73	+0.7	14.46	5.35	9.34	224.05	222.16	218.65	217.38
22	Breweries (14)	238.52	—	14.55	5.88	9.45	238.42	235.93	232.77	231.66
23	Wines and Spirits (6)	299.25	+0.9	14.24	4.80	10.48	296.60	294.24	287.40	282.52
24	Entertainment, Catering (17)	272.49	+0.6	14.90	6.38	9.80	270.93	267.99	264.48	263.85
25	Food Manufacturing (20)	222.57	+1.2	16.95	5.00	7.82	219.86	219.33	214.13	212.74
26	Food Retailing (15)	233.77	+0.3	12.99	4.41	10.67	232.98	231.40	225.25	224.86
32	Newspapers, Publishing (13)	406.56	+0.9	9.92	3.18	14.39	403.01	398.74	397.28	397.25
33	Packaging and Paper (15)	154.11	+1.2	16.84	6.90	7.82	152.34	148.85	149.02	149.61
34	Stores (40)	216.10	+0.7	10.01	4.19	14.67	214.69	212.95	209.31	206.64
35	Textiles (25)	185.42	+0.4	17.71	7.47	7.36	184.76	182.56	179.58	178.43
36	Tobaccos (3)	258.33	+1.2	21.31	7.26	5.55	255.24	253.78	252.14	254.71
37	Toys and Games (6)	121.08	+0.4	18.72	5.27	6.25	120.55	119.41	116.95	117.09
41	OTHER GROUPS (98)	220.69	+0.7	14.08	5.43	9.15	219.23	217.23	213.53	212.24
42	Chemicals (19)	310.54	+0.3	14.66	6.08	8.89	309.68	307.02	303.45	300.97
43	Pharmaceutical Products (7)	289.49	+0.5	9.90	3.53	12.48	288.12	284.55	278.91	277.67
44	Office Equipment (6)	149.35	+0.7	16.12	5.09	7.35	148.33	146.84	144.06	144.05
45	Shipping (10)	435.27	+1.0	14.28	7.00	8.94	431.12	426.70	420.75	416.22
46	Miscellaneous (56)	234.71	+1.1	15.72	5.78	8.43	232.10	230.43	225.59	224.43
49	INDUSTRIAL GROUP (495)	238.44	+0.7	14.68	5.22	9.15	236.74	234.62	230.80	229.64
51	Oils (5)	515.81	+0.1	13.55	3.90	8.01	515.26	509.35	505.03	507.87
59	500 SHARE INDEX	261.86	+0.6	14.52	5.03	8.97	260.22	257.81	253.90	252.95
61	FINANCIAL GROUP (100)	175.87	+0.3	—	5.50	—	175.38	174.83	171.78	172.03
62	Banks (6)	196.31	−0.2	23.81	5.96	6.30	196.66	196.64	191.89	194.05
63	Discount Houses (10)	216.14	+1.5	—	8.00	—	213.04	212.37	210.78	210.64
64	Hire Purchase (5)	164.92	+0.8	14.77	5.00	8.93	163.54	163.37	160.55	162.44
65	Insurance (Life) (10)	148.50	+1.3	—	6.13	—	146.61	145.21	143.30	144.73
66	Insurance (Composite) (7)	133.13	+0.7	—	6.56	—	132.20	130.35	129.34	128.34
67	Insurance Brokers (10)	357.08	−1.3	13.23	4.45	10.81	361.76	359.06	354.41	355.83
68	Merchant Banks (14)	86.25	+0.4	—	5.61	—	85.94	85.73	84.83	84.85
69	Property (31)	264.51	+0.3	3.25	2.84	53.33	263.68	261.32	259.18	257.58
70	Miscellaneous (7)	114.76	+0.4	22.02	7.28	5.88	114.33	114.24	113.05	112.47
71	Investment Trusts (50)	233.46	+0.8	2.99	4.43	33.44	231.72	228.53	225.94	225.53
81	Mining Finance (4)	115.20	+1.5	15.32	6.18	7.95	113.50	110.91	109.15	107.59
91	Overseas Traders (19)	336.90	+0.4	14.81	6.64	8.46	335.55	337.68	331.86	329.71
99	ALL-SHARE INDEX (673)	239.59	+0.6	—	5.14	—	238.18	236.00	232.54	231.82

FIXED INTEREST PRICE INDICES

	British Government	Tues., Sept. 12	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	104.84	−0.02	—	6.70
2	5-15 years	115.13	—	—	7.39
3	Over 15 years	121.15	—	—	9.36
4	Irredeemables	127.10	—	—	9.02
5	All stocks	113.12	−0.01	—	7.84

FIXED INTEREST YIELDS

	Br. Govt. Av. Gross Red.		Tues., Sept. 12	Mon., Sept. 11
1	Low Coupons	5 years	8.88	8.87
2		15 years	10.92	10.92
3		25 years	11.62	11.62
4	Medium Coupons	5 years	11.70	11.68
5		15 years	12.12	12.11
6		25 years	12.12	12.12
7	High Coupons	5 years	11.62	11.60
8		15 years	12.64	12.63
9		25 years	12.84	12.83
10	Irredeemables		11.62	11.62

		Tues. Sept. 12 Index No.	Tues. Sept. 12 Yield %	Mon. Sept. 11	Friday Sept. 8	Thurs. Sept. 7	Wed. Sept. 6	Tues. Sept. 5	Mon. Sept. 4	Friday Sept. 1
15	20-yr. Red. Deb & Loans (15)	57.85	†12.83	57.81	57.81	57.81	57.84	57.84	57.83	57.79
16	Investment Trust Prefs. (15)	51.38	13.64	51.38	51.38	51.38	51.38	51.38	51.52	●51.60
17	Coml. and Indl. Prefs. (20)	70.94	12.66	70.85	70.74	70.74	70.66	70.66	70.69	70.64

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p. ● Corrected.

AUTHORISED UNIT TRUSTS

Unit Tst. Mgrs. Ltd. (a)

Gatehouse Rd., Aylesbury. 0296 5941

Capital	36.8	39.1	+0.1	4.00
Income	43.4	46.2	+0.2	5.50
Int. Tst. Fd.	39.1	41.6	+0.3	4.07
Gen. Tst.	49.5	52.7	+0.1	3.94
Prog. Tst.	72.8	76.8	+0.5	3.71

Hambro Group (a) (g)

Hse., Hutton, Brentwood, Essex.
51 or Brentwood (0277) 211459

Framlington Unit Mgt. Ltd. (a)

5-7, Ireland Yard, EC4B 5DH. 01-248 6971

American	56.8	60.4	....	1.12
Capital Tst.	135.8	144.4	....	3.36
Income Tst.	116.0	123.2	....	6.27
Int. Growth Fd.	127.2	135.2	....	2.05
Do. Accum.	131.2	139.4	....	2.05

Friends' Provdt. Unit Tr. Mgrs.

Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	47.5	50.8	+0.1	3.77
Do. Accum.	61.5	65.7	+0.1	3.77

G.T. Unit Managers Ltd.

Minster Fund Managers Ltd.

Minster Hse., Arthur St., EC4. 01-623 1050

Minster Sept. 4	37.5	39.5	....	5.45
Exempt August 31	100.7	104.7	....	5.33

MLA Unit Trust Mgemnt. Ltd.

Old Queen Street, SW1H 9JG. 01-930 7333

MLA Units	48.8	51.3	+2.3	3.51

Murray Johnstone U.T. Mgmt. (a)

163 Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	82.7	88.1	....	2.64

Dealing Day Friday

Mutual Unit Trust Managers (a)(g)

Provincial Life Inv. Co. Ltd.

222, Bishopsgate, E.C.2. 01-247 6533

Prolific Units	95.8	102.6	+1.5	2.82
High Income	126.7	135.7	+1.0	6.89

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Holborn Bars, EC1N 2NH. 01-405 9222

Prudential	139.0	147.5	+0.5	4.01

Quilter Management Co. Ltd.

The Stk. Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	115.8	120.7	....	4.70
Quadrant Income	133.6	137.8	....	7.66

Save & Prosper continued — Scotbits Securities Ltd.

Schlesinger Trust Mngrs. Ltd.

[illegible]

Finlay Unit Trust Mngt. Ltd.

West Nile Street, Glasgow. 041-204 1321

Internat'l	25.2	27.4	....	2.08
Units	29.7	32.2	....	2.08
Income	35.8	38.5	....	7.56
Fo. Fin.	27.8	30.0	....	4.09
Units	32.2	34.9	....	4.09
Inv. Tst.	30.2	32.7	....	3.95
Units	34.5	37.6	....	3.95

August 30. Next dealing September 6.

Capital	30.2	32.3	+0.2	2.88
Do. Accum.	32.9	35.2	+0.2	2.88
Income	56.3	60.2	+0.2	5.97
Do. Accum.	65.6	70.2	+0.2	5.97
International	50.6	54.7	+0.5	2.09
Do. Accum.	54.1	58.3	+0.6	2.09
High Yield	67.4	71.1	+0.4	7.51
Do. Accum.	71.4	76.0	+0.3	7.51
Equity Exempt*	108.1	114.1	....	5.49
Do. Accum.*	108.1	114.1	....	5.49

*Prices at Aug. 31. Next dealing Sept. 29.

CORAL INDEX: Close 524-529

INSURANCE BASE RATES

‡Property Growth 10¼%

†Vanbrugh Guaranteed 9.37%

‡Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

Jardine Fleming & Co. Ltd.

46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$275.52	....	1.90
Jardine J'pn. Fd.*	HK$390.07	....	0.90
Jardine S.E.A.	$US21.32	....	1.40
Jardine Flem. Int.	HK$12.42	....	—
Intl. Pac. Secs. (Inc.)	HK$15.01	....	—
Do. (Accum.)	HK15.16	....	—

NAV Aug. 31. *Equivalent $US82.64. Next sub. Sept. 15.

1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. Aug. 31	$US13.33	13.68	....	—
CMT Ltd. Aug. 31	£13.82	14.18	....	—
Metals Tst. Aug. 17	£12.22	12.52	....	—
TMT August 11	$US11.30	11.59	....	—
TMT Ltd. Aug. 11	£11.40	11.69	....	—

World Wide Growth Management

10a, Boulevard Royal, Luxembourg.

Worldwide Gth Fd	$US17.19	+0.10	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♦ Net of tax on realised capital gains unless indicated by ♦. § Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1978 High	Low	Stock	£	+ or –	Int.	Yield Red.
"Shorts" (Lives up to Five Years)						
105⅜	101⅛	Treasury 11½pc '79‡‡	101⅛	–1/32	11.35	8.67
97	94¾	Treasury 3pc '79‡‡	95 13/32xd	......	3.13	7.38
97⅞	95⅛	Electric 4¼pc '74-79	96¼xd	+1/16	4.42	8.11
104 9/16	99⅞	Treasury 10½pc '79‡‡	100 21/32	–1/32	10.45	9.79
96½	94¾	Electric 3½pc '76-79	95⅜	......	3.67	7.67
103⅛	96 9/16	Treasury 9pc 1980‡‡	98⅞	–1/16	9.10	9.86
102 13/16	97⅛	Treasury 9½pc '80‡‡	98 13/16	–1/16	9.61	10.26
95⅛	92⅜	Treasury 3½pc '77-80	93⅝	......	3.74	7.43
96½	93¼	Funding 5¼pc '78-80‡‡	93 13/16	–1/8	5.60	9.12
110¼	103 1/16	Exchequer 13pc 1980‡‡	103 13/16	–1/16	12.52	10.90
106⅛	99 11/16	Treasury 11½pc 1981‡‡	100¾	–1/16	11.41	11.07
91⅝	88¼	Treasury 3½pc 1979-81	89½	–1/8	3.91	8.36
101¾	95⅝	Treasury 9¾pc 1981‡‡	97xd	–1/16	10.05	11.16
97 3/16	91⅞	Exch. 8¼pc 1981	93½	–1/16	8.82	11.03
100¼	94¼	Exch. 9½pc 1981	95⅝	–1/16	9.94	11.36
87 13/16	85⅝	Exch 3pc 1981	86 1/16	......	3.48	8.40
97 1/16	95 1/16	Treas. Variable '81%%	95 1/16	......	9.85	9.94
111	102⅞	Exch. 12¾pc 1981‡‡	103½	–1/8	12.33	11.41
99⅞	91⅜	Treas 8½pc '80-82‡‡	93	–1/16	9.41	11.03
85⅜	82⅞	Treasury 3pc '82‡‡	84¾	......	3.54	8.19
115⅞	106¼	Treasury 14pc '82‡‡	107½xd	–1/16	13.02	11.35
96⅛	94⅝	Treas. Variable '82%%	94 11/16	......	9.96	11.18
96⅜	89⅝	Treasury 8¼pc '82	91 1/16	......	9.06	11.16
100¼	91⅛	Exch. 9¼pc 1982	92 17/32xd	–1/32	10.00	11.63
96 11/16	89½	Exch. 8¾pc 1983	90 9/16	–1/16	9.66	11.56
85¼	79⅝	Exch 3pc '83	81¼	......	3.57	7.95
114¼	100½	Treasury 12pc 1983‡‡	101 9/16xd	–1/16	11.82	11.56
100⅛	89⅝	Treasury 9¼pc '83	91 5/16	–1/16	11.13	11.63
Five to Fifteen Years						
95⅞	93	Exch. 10pc 1983ø	94⅝	......	10.76	11.82
89⅝	80¾	Funding 5½pc '82-84‡‡	83¼	......	6.58	9.81
96⅞	86½	Treasury 8½pc '84-86‡‡	88⅞	......	9.73	10.93
87⅝	77¼	Funding 6½pc '85-87‡‡	80⅝	......	8.34	10.43
89⅝	79⅜	Treasury 7¾pc '85-88‡‡	81⅞	......	9.59	11.08
68⅜	60⅛	Transport 3pc '78-88	64⅛	......	4.71	8.55
75⅝	64¼	Treasury 5pc '86-89	65¾xd	......	7.55	10.16
115¼	101⅝	Treasury 13pc 1990‡‡	106¼	......	12.49	12.30
89⅜	77½	Treasury 8¼ 87 90‡‡	81⅝	......	10.37	11.44
106½	92½	Treasury 11¾pc 1991	97⅞	......	12.27	12.41
75⅝	63⅜	Funding 5¾pc '87-91‡‡	64⅞xd	......	8.82	10.90
112¼	96½	Treasury 12¾pc '92‡‡	103⅛	......	12.59	12.53
96⅛	84⅜	Treasury 10pc 1992	86¼	......	11.63	12.19
113	97¼	Exch. 12¼pc '92	98⅞	......	12.47	12.52
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
24	17	Antofagasta Rly.	24	......	–	–
41	33	Do. 5pc Pref.	41	......	–	–
98	98	Chilean Mixed	98	......	–	£3.10
415	350	German Yng. 4½pc.	411	......	4½	–
54	46	Greek 7pc Ass.	52	......	3½	£6.90
51	46	Do 6pc 28 Stab. Ass.	50	......	6	£6.04
44	40	Do 4pc Mixed Ass.	42	......	4	£5.05

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 46½% (based on US$1.9426 per £)
Conversion factor 0.6856 (0.6872)

CANADIANS

S.E. List Premium 46½% (based on $2.2631 per £)

BANKS AND HIRE PURCHASE

1978 High	Low	Stock	Price	+ or –	Div. Net	Cvr	Y'ld Gr's	P/E
100	81	Hill Samuel	97	......	4.97	—	7.7	—
600	325	Do. Warrants	350	......	—	—	—	—
360	203	Hong Shng $2.50	341	–1	hQ59c	—	2.0	—
69	52	Jessel Toynbee	60	+2	h3.32	—	8.3	—
215	160	Joseph (Leo) £1	205	......	8.74	—	6.4	—
52	37	Keyser Ullmann	50	–1	0.67	—	2.0	—
74	56	King & Shax 20p	62	+2	3.44	—	8.3	—
114	90	Kleinwort B.L.	110	+2	4.18	—	5.7	—
297	242	Lloyds £1	272	–3	†9.23	4.8	5.1	6.1

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

BRACKEN HOUSE, 10, CANNON STREET, LONDON EC4P 4BY
Telex: Editorial 886341/2, 883897. Advertisements: 885033. Telegrams: Finantimo, London PS4.
Telephone: 01-248 8000.
For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026.
INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 12171 Tel: 240 555
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Im Sachsenlager 13. Telex: 416263 Tel: 555730
Johannesburg: P.O. Box 2128. Telex 8-6257 Tel: 838-7545
Lisbon: Praca da Alegria 58-1D, Lisbon 2. Telex 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Moscow: Sadovo-Samotechnaya 12-24, Apt. 15. Telex 7900 Tel: 200 2748
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.57.43
Rio de Janeiro: Avenida Pres. Vargas 418-10. Tel: 253 4848
Rome: Via della Mercede 55. Telex 61032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex 17603 Tel: 50 60 88
Tehran: P.O. Box 11-1879. Telex 213930 Tel: 682698
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Telex J 27104 Tel: 241 2920
Washington: 2nd Floor, 1325 E. Street, N.W., Washington D.C. 20004. Telex 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street. Telex 72484 Tel: 031-226 4139
Frankfurt: Im Sachsenlager 13. Telex 16263 Tel: 554667
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J 27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription Department, Financial Times, London

هكذا من الأصل

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INV. TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
210	155	Falcon Rh.50c	170	......	Q50c	1.3	25.1
24	15	Rhod'n Corp 16⅔p.	17	−½	0.57	7.1	5.0
80	52	Roan Cons. K4	65	......	—	—	—
41	32	Wankie Col. Rh.1	35	−1	†Q7½c	1.4	18.3
17½	10	Zam.Cpr.SBD0.24	14½	......	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
15	10	Acmex 25c	12	......	—	—	—
140	64	Bougainville 50 Toea	133	+1	†Q8c	1.4	3.8
125	63	BH South 50c	120	+2	—	—	—
320	150	Central Pacific	575	+15	—	—	—
336	148	Conzinc Riotinto 50c	322	+12	‡Q10c	2.2	‡
27	9½	Endeavour 20c	25	......	—	—	—
72	45	G.M. Kalgoorlie $1	54	+2	—	—	—
68	19	Hacma Gold N.L.	60	+5	—	—	—
140	81	Hampton Areas 5p	131	+1	t3.55	2.0	4.0
40	10	Metals Ex. 50c	35	−1½	—	—	—
223	125	M.I.M. Hldgs. 50c	206	−1	Q9c	1.7	2.7
39	10	Mount Lyell 25c	32	....	—	—	—
6½	1½	Newmetal 10c	5		—	—	—
143	74	North B. Hill 50c	125	+2	Q8c	ф	4.0
16½	8½	Nth. Kalgurli	15	..	—	—	—
50	12	Nth. West Mining	44	+3	—	—	—
178	117	Oakbridge $A1	157	+1	†Q11c	1.9	4.4
70	30	Pacific Copper	60	−1	—	—	—
£15½	750	Pancont 12½c	£13	..	—	—	—
40	12	Paringa M&Ex 5p	30½	−½	—	—	—
570	310	Peko-Wallsend 50c	556	−2	Q15c	ф	1.7
500	50	Southern Pacific	220	+5	—	—	—
153	64	Westn. Mining 50c	163xd	......	Q3c	ф	‡
70	35	Whim Creek 20c	55	......	—	—	—

TINS

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
30	23	Amal. Nigeria	27	......	2.82	ф	16.9
420	240	Ayer Hitam $M1	390	+5	[illegible]	0.9	‡
60	45	Beralt Tin	55	..	3.81	4.4	10.8
305	200	Berjuntai $M1	280	+5	Q110c	ф	8.4
155	111	Geevor	155	+5	5.04	5.8	4.8
10½	8½	Gold & Base 12½p	10	.....	—	—	—
320	220	Gopeng Cons.	315	.....	15.23	0.9	7.3
220	130	Hongkong	220	.....	—	—	—
93	78	Idris 10p	90	.....	‡12.0	1.6	‡
11	8	Jantar 12½p	8	.....	—	—	—
84	68	Kamunting $M0.50	79xd	.....	Q12½c	ф	3.4
540	450	Killinghall	640	.....	Q125	ф	20.2
470	280	Malay Dredging $M1	455	.....	†Q95c	0.8	4.5
78	40	♦Pahang	78	.....	†Q3.75c	0.5	‡
78	50	Pengkalen 10p	76	....	6.60	1.3	13.0
270	165	Petaling $M1	270	....	†Q80c	1.6	6.8
64	49	Saint Piran	63xd	....	2.03	ф	4.8
61	47	South Crofty 10p	59	+2	4.19	2.0	10.6
245	140	South Kinta $M0.50	225xd	..	Q70c	ф	6.7
349	230	Sthn Malayan $M1	330		†Q131⅓c	1.1	8.6
240	134	Sungei Besi $M1	225	+10	Q65c	ф	6.2
85	55	Supreme Corp $M1	70	....	ZQ10c	—	3.2
100	85	Tanjong 15p	90	.....	6.60	0.8	10.9
100	74	Tongkah Hrbr $M1	90	..	[illegible]	1.6	‡
270	148	Tronoh $M1	255	....	ZQ88c	1.6	7.4

COPPER

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
104	70	Messina R0.50	80	.....	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
61	35	Barymin	56	.....	—	—	—
17	9	Burma Mines 17½p.	13	....	—	—	—
300	215	Cons. Murch. 10c	245	.....	‡Q30c	2.6	‡
465	245	Northgate C$1	370	−10	—	—	—
258	164	R.T.Z.	258	+2	9.5	2.8	5.5
90	30	Sabina Inds. C$1	50	.....	—	—	—
£12	750	Tara Exptn. $1	837	.....	—	—	—
73	43	Tehidy Minerals 10p	73	+3	♦1.35	ф	2.8
185	120	Yukon Cons. C$1	155	.....	Q7c	2.9	2.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ∆ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress
- ‡ Not comparable
- ♦ Same interim reduced final and/or reduced earnings indicated
- § Forecast dividend: cover on earnings updated by latest interim statement
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value

a Tax free b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield f Flat yield g Assumed dividend and yield h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £ w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield B Preference dividend passed or deferred. C Canadian. E Issue price F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79 K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978 N Dividend and yield based on prospectus or other official estimates for 1979 P Figures based on prospectus or other official estimates for 1978-79 Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 30

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	25	......
Ash Spinning	48	+2
Bertam	20	....
Bdg'wtr. Est. 50p	308xd	.....
Clover Croft	26	.....
Craig & Rose £1	520	.....
Dyson (R. A.) A	39	.....
Ellis & McHdy.	64	.....
Evered	29	+1
Fife Forge	52xd	....
Finlay Pkg. 5p	21	....
Grate Ship £1	125	..
Higsons Brew.	77	...
I.O.M. Stm. £1	152	...
Holt (Jos.) 25p	260	
Nthn. Goldsmith	67	.....
Pearce (C. H.)	190	..
Peel Mills	20	..
Sheffield Brick	44	..
Sheff. Refrshmt.	63	.....
Sindall (Wm.)	105	.....

IRISH

Conv. 9% '80/82	£91⅞	−¼
Alliance Gas	62	.....
Arnott	370	.....
Carroll (P.J.)	105	+½
Clondalkin	90xd	+2
Concrete Prods.	140xd	+8
Heiton (Hldgs.)	47	−1
Ins. Corp.	160	.....
Irish Ropes	130	.....
Jacob	65	+2
Sunbeam	33xd	...
T.M.G.	175	.....
Unidare	110	.....

OPTIONS
3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	20	Tube Invest.	30
A.P. Cement	18	"Imps"	6	Unilever	35
B.S.R.	9	I.C.L.	20	Utd. Drapery	7½
Babcock	11	Inveresk	6	Vickers	15
Barclays Bank	25	KCA	3	Woolworths	5
Beecham	35	Ladbroke	17	**Property**	
Boots Drug	15	Legal & Gen.	14	Brit. Land	3¼
Bowaters	16	Lex Service	7	Cap. Counties	4½
B.A.T.	24	Lloyds Bank	22	E.P.	5
British Oxygen	6	"Lots"	4	Intereuropean	4
Brown (J.)	20	London Brick	5	Land Secs.	16
Burton 'A'	12	Lonrho	5	MEPC	12
Cadburys	5	Lucas Inds.	25	Peachey	8
Courtaulds	10	Lyons (J.)	10	Samuel Props.	9
Debenhams	8	"Mams"	7	Town & City	1¼
Distillers	15	Mrks. & Spncr.	10	**Oils**	
Dunlop	7	Midland Bank	25	Brit. Petroleum	45
Eagle Star	11	N.E.I.	12	Burmah Oil	5
E.M.I.	14	Nat. West Bank	22	Charterhall	3
Gen. Accident	17	Do. Warrants	10	Shell	28
Gen. Electric	18	P & O Dfd.	8	Ultramar	20
Glaxo	40	Plessey	8	**Mines**	
Grand Met.	9	R.H.M.	5	Charter Cons.	12
G.U.S. 'A'	20	Rank Org. 'A'	18	Cons. Gold	14
Guardian	18	Reed Intnl.	12	Rio T. Zinc	16
G.K.N.	22	Spillers	3		
Hawker Sidd.	20	Tesco	4		
House of Fraser	12	Thorn	22		
		Trust Houses	15		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Wednesday September 13 1978

Pay deals might be within Phase 4, CBI says

By Christian Tyler, Labour Editor

THE CONFEDERATION of British Industry said last night it was cautiously optimistic that the large pay claims so far submitted under Phase Four of the incomes policy might not mean that the 5 per cent limit was in immediate danger.

Figures collected since the start of Phase Four on August 1 confirmed that claims were running at 20 per cent and more. The CBI knows of 19 Phase Four settlements, mostly about 5 per cent, and 29 claims, mostly between 20 and 30 per cent. However, the settlements cover 28,000 workers, while the claims cover 450,000.

In a comment that will comfort the Government, the CBI said that claims this time did not appear to bear any greater relation to settlements than at the start of Phase Three.

"There is a clear indication that the level of claims and bargaining pressure both appear to be lower than a year ago. We deduce that the climate of public understanding that has been created by discussion of the issues by the Government, the CBI and the media will have a moderating effect on the going rate."

However, road haulage companies, facing claims of 20-30 per cent, privately doubt whether they can settle for much less than 10-15 per cent, while one big industrial company is expecting to settle at no less than 15 per cent, including a productivity deal allowable under the Phase Four guidelines.

The CBI, which is asking members to notify claims and settlements for compilation by computer, also confirmed that most national-level claims contained demands for a shorter working week without loss of pay. That is a TUC priority for the winter wage round, but it remains to be seen how hard the demand is pressed in local negotiations.

The CBI and the Government have given warnings that the country cannot concede such claims at present without a serious addition to costs and loss of UK competitiveness.

Sanctions move for Labour conference

BY RICHARD EVANS, LOBBY EDITOR

THE ISSUE of British oil companies breaking of Rhodesian sanctions seems certain to be aired at this year's Labour Party Conference at Blackpool next month, to the embarrassment of Ministers.

The party's International Committee decided yesterday to recommend to the National Executive that an emergency statement on Rhodesia and oil supplies should be presented to the conference.

Easing tensions

Although the purpose behind the move is to attack the conduct of BP and Shell, the two companies alleged to have been involved in supplying oil to Rhodesia after sanctions had been imposed, the role of leading politicians is certain to be raised.

Sir Harold Wilson, the former Prime Minister, has already clashed in public with Lord Thomson of Monifieth, former Commonwealth Secretary, over the extent of knowledge of sanction-busting. A public debate could serve to exacerbate tensions within the party.

Many senior Ministers would have preferred the sensitive issue not to be raised in the partisan forum of a party conference, but there is unlikely to be any attempt to block the pressure for a discussion.

The NEC will reach a decision at its meeting in Blackpool on September 29, just before the conference. The member of the NEC to present the emergency statement will be chosen then.

The proposal for a statement came from Mr. Frank Allaun, Left-wing MP for Salford East. He received the support of Mr. Anthony Wedgwood Benn, the Energy Secretary, and other members of the International Committee.

Particular concern was expressed at the growing power and influence of multinationals and the way, it was claimed, they were able to flout national and international conventions.

One fact that could prevent a statement and a debate would be the unexpected announcement of a prosecution by the Director of Public Prosecutions, who is studying the Bingham Report on the supply of oil to Rhodesia.

The report, commissioned by Dr. David Owen, Foreign and Commonwealth Secretary, from Mr. Thomas Bingham, QC is likely to be published in a matter of days, probably early next week.

The Organising Sub-committee of the Labour Party decided yesterday to recommend a change in the party's attitude in the dual mandate between the Westminster and European Parliaments.

It had previously been agreed to bar Labour candidates from standing for both Parliaments, on the assumption that the General Election would be held in the autumn.

Stockport choice

Should the present Parliament continue well into next year, it will now be permissible for Labour MPs to stand in the first direct elections to the European Parliament on June 7 next year, provided they make clear that they will resign their Westminster seat at the next election.

The committee recommended endorsement for Mr. Tom McNally, the Prime Minister's political adviser, as Parliamentary candidate for Stockport South, following a bitter division in the local party.

Six voted for Mr. McNally and two, Miss Joan Maynard and Mr. Nick Bradley, against. The recommendation is likely to be accepted by the NEC next month.

Rhodesia running out of time Page 18

Motorola plans to expand in Britain

By Max Wilkinson

MOTOROLA, the U.S. electronics group, last night announced plans to expand semiconductor manufacture in Britain.

Mr. William Weisz, Motorola's president, said in London that the company's existing semiconductor plant at East Kilbride, Scotland, would probably become the group's main manufacturing centre to supply the fast expanding market in the car industry.

Mr. Weisz, who also announced Motorola's listing on the London Stock Exchange, said that talks between Motorola and Thomson-CSF, the French electronics group, were advanced, although he gave no details. He emphasised, however, that any possible deal with the French to establish a joint semiconductor operation would not lead to a running down of the East Kilbride plant.

Thomson also confirmed yesterday that talks were in progress with Motorola, but added that it was only one of the possible partners being considered. It is expecting to announce a partnership with a prominent U.S. semiconductor manufacturer in the next few weeks.

Motorola's East Kilbride labour force is expected to increase from the present 500 to perhaps 1,000 people over the next few years, Mr. Melvin Larkin, the factory's manager, said. The plant has some of the most modern equipment for processing four-inch silicon wafers, which give much higher productivity than the three-inch wafers common in the industry until recently.

The possible deal with Thomson is expected to be strongly supported by the French Government, which has earmarked about £100m in subsidies for the semiconductor industry over the next five years.

Any co-operative venture would be based initially on Motorola's plant in Toulouse, the company's European centre for making individual transistors. The Toulouse plant also makes linear integrated circuits with many transistors, and a chip for television, radio receivers and other applications.

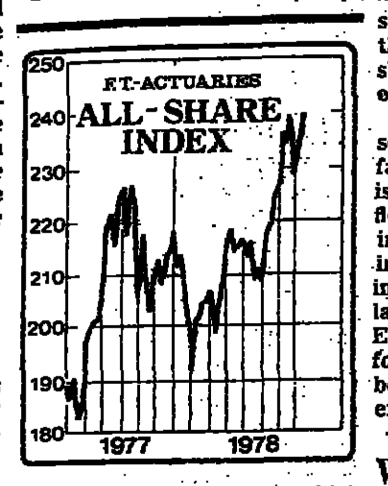
Motorola tunes in to European wavelength Page 23

THE LEX COLUMN

Reckitt and the sinking dollar

The FT Ordinary Share Index hit a new peak for the year and the All-Share Index reached an all-time high—but by the end of the day prices were starting to wilt. Meanwhile, the gilt-edged market is becoming increasingly uneasy at the trend in U.S. interest rates with increasing talk about the possibility of U.S. bank prime rates in double figures by the year end.

Index rose 2.1 to 526.4



Reckitt & Colman

Reckitt and Colman's interim profits are £2.8m higher at £31m and the immediate reaction was to mark the shares 15p higher to 530p. Admittedly, the outturn was slightly better than expected, but the buoyancy of the share price was a little surprising given the chairman's cautious comments about the second half.

Because of its large overseas exposure Reckitt is bedevilled by currency movements and its heavy reliance on currencies linked to the dollar makes it more vulnerable than most to the dollar's fall from grace. At the end of last year the company decided to take exchange differences on movements in net current assets below the line and this helped to make last year's results look a little less disappointing.

This time round it has taken the exercise a stage further and is saying that in local currency terms its pre-tax profits are up by around 20 per cent; the rise is just 10 per cent when converted into sterling. The company has a point, but when sterling was moving in its favour in the first half of last year it was far less willing to quantify the impact.

In common with other multinationals Reckitt noted a slight acceleration in demand in the second quarter of the year and helped by better margins, its UK, European and Australian operations provided all the profit growth. It is not expecting any fireworks in the current half year but assuming a slight weakening in sterling it should be able to raise pre-tax profits for the full year from £57.9m to £63m-£64m.

That would leave a prospective fully taxed multiple of 12 and a yield of 3.3 per cent. Given that the outlook for world trade next year is far from encouraging this looks demanding. But then some investors still think that Reckitt is more like a pharmaceutical company than an industrial conglomerate—which has still to be proved.

Accounting standards

One of the principal findings of a major review of accounting standards, due to be published later this month, is that the UK is still in a voluntary period as far as compliance with accounting standards is concerned. That was fair enough 10 years ago when the Accounting Standards Committee was established. But is it good enough for the 1980s? This is just one of the important questions raised by the report, produced by ASC chairman Mr. Tom Watts. Another is whether the composition of ASC itself should be changed—to become more independent of the accountancy profession, and with a greater representation from so-called accounts users.

Underlying both questions is a realisation that all is not entirely well with the processes by which accounting rules emerge in the UK. At first the aim was to achieve greater uniformity in the way in which companies prepared their accounts. But the experience of the last few years, when companies and industries have lobbied successfully against what they have regarded as over-tough standards, has changed all that. For instance, industry lobbying brought down the original proposals on research and development and deferred tax, and it has exempted the property companies from having to depreciate their buildings.

The only counter Watts seems to see to this exercise of self interest is to balance out industrial representation with more members from the ... This is all very well ... —but where will the new representatives come from? ... the guiding light in the ... should be some broader ... of the public interest.

As for the standards ... selves, the absence of ... factory enforcement ... is the main factor behind ... flexible rules. This can ... in either shareholders', investors', or the ... interest. Sooner rather ... later, enforcement will ... Early action from the ... for the Securities Industry ... be the only alternative ... ernment intervention.

Willis Faber

Yesterday's interim sta... from Willis Faber se... shares skidding 20p lo... 263p, and pushed the insurance broking sector against the general trend. In contrast to the progress report from Se... Forbes, Willis expects this year to be down on ... £19.6m pre-tax. This fol... £320,000 fall at the ... stage to £10.5m: analys... been hoping for nearer ...

The surprise stems ... group expenses, which ... by 22 per cent to £14.9... pared with a rise of ju... per cent in revenue. ... explains that during the ... of last year's expensive ... of offices, it deferred sp... on its computer system ... 1978. Overall, the move ... premises has increased ex... by around £2m a year at ... when market conditions worsened.

Currency fluctuations braked the overall adva... brokerage income and ... insurance premiums depressed in many areas ... has a larger exposure ... other brokers. It also ... to have responded rather ... than some of the comp... to insurance companies re... for remittances in a va... currencies. This has ... another £1.5m to ... figure, which will fall ... internal systems are org... properly. The contrib... from associates—includi... from the holding in ... Grenfell—is also lower.

Willis has had to cope ... some special circums... which may not be so pr... in future years. All the ... it may be difficult in the ... term to sustain the premi... a prospective p/e of 12.

Liberal Party avoids split over Thorpe

BY RUPERT CORNWELL, LOBBY STAFF

THE LIBERALS last night managed to head off a damaging and public split over Mr. Jeremy Thorpe, their former leader, who yesterday declared his intention to defy advice from top party officials and attend the annual assembly in Southport tomorrow.

After an hour-and-a-half of sometimes emotional debate, the section of an emergency resolution which "regretted" the attempts of senior Liberals, including Mr. David Steel, the party leader, to keep him away from proceedings, was withdrawn.

The amended version, carried virtually unanimously by a packed hall of delegates, insisted that Mr. Thorpe was innocent until proved guilty. It further deplored the "orchestrated campaign of innuendo" by sections of the Press against the Liberals concerning the charges against their former leader.

Mr. Thorpe, who is accused of conspiracy and incitement to murder, stated yesterday that it was his duty as MP for North Devon to go to Southport.

"Any other course would be inconsistent both with my continuing to represent my constituents and with my belief, based on a clear conscience, that justice in due course must prevail," he said.

But the fragility of last night's united front has confirmed Liberal workers in their fear that the Thorpe affair, coupled with speculation over party funds, is likely to dominate the assembly.

Thursday, the day that Mr. Thorpe will make his inevitably highly publicised visit, is the day that Mr. Steel is due to take part in the key debate on future Liberal strategy now that the pact with Labour has ended but no general election is imminent.

Reports denied

At the assembly's inaugural Press conference last night, Lord Evans of Craughton, the outgoing Liberal president, categorically denied reports that the police were investigating party finances.

He confirmed, however, that a top-level internal committee, consisting of himself, Mr. Michael Steed, his successor as president, Mr. Geoff Tordoff, and Mr. Monroe Palmer, a party treasurer, had been set up three weeks ago to look into the question.

Their investigation will cover various peripheral funds, including one devoted to marginal seats for which Mr. Thorpe had authority as leader and which is believed to have involved some £20,000 at one point.

Mr. Palmer, appointed treasurer 18 months ago, declared that all parallel funds had been closed down and their contents transferred to a central fund administered by himself.

"Every account with the name Liberal in it is known to me," he said.

At the end, he added, only £200 was left in the marginal seats fund.

The system of anonymous donations to Liberal resources would, however, continue at the wish of contributors. Meanwhile, last year's accounts show the party's deficit was halved to £25,000 in 1977.

More Liberal conference news Page 6

Continued from Page 1

Toolmakers

stewards were prepared to meet management at any time.

The strikers decided unanimously to continue to recognise the shop stewards as their elected representatives.

The strike began after the men refused to operate new computer-controlled machine tools without more money, even though the introduction of the equipment is covered by an agreement signed by the AUEW.

The next opportunity to discuss the dispute will be on Monday when Mr. Michael Edwardes, BL chairman, meets national union officials in London.

U.S. loan for British purchase of Boeings

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS is to receive a loan of $151.2m (nearly £78m) through the Export-Import Bank of Washington, to help pay for 19 Boeing 737 short-range jet airliners.

The 737 deal was announced earlier this summer. The aircraft will replace ageing Trident Ones and Twos in the airlines' fleet. The balance of the cost, about $65.8m, will come from the airline's own resources.

The deal, which is large by average Ex-Im Bank standards, is subject to Congressional approval. The interest rate is 8.5 per cent.

British Airways has used the Ex-Im Bank's previously to pay for U.S.-built airliners.

Finance for the planned purchase by British Airways of 19 of the bigger, Boeing 757 twin-engined jet airliners, announced two weeks ago, has not yet been arranged. It is likely that the company will again go to the Ex-Im Bank for a large part of the £400m (nearly £80m) cost.

- British Airways has awarded to Plessey Avionics and Communications a contract to supply flight data recorders and associated equipment for the Boeing 737 fleet.

Monetary plan problems cause Basle talks to be extended

BY DAVID WHITE

BASLE, Sept. 12.

OBSTACLES IN the way of an agreement on the planned European monetary system caused governors of Common Market central banks to extend a meeting here today.

The central bankers' meeting, held after the regular monthly session of the Bank for International Settlements, tackled a series of problems which will surface again next week when EEC finance ministers gather in Brussels. The meeting, held under the traditional conditions of secrecy, resumed, exceptionally, this afternoon.

A push towards resolving differences is needed from the finance ministers if a basic agreement is to take shape before the end of next month, in accordance with the timetable for monetary co-ordination drawn up at the EEC heads of government summit in Bremen in July.

The bank governors are more sceptical than the politicians about the prospects for a practical scheme being set in motion next year. Governors assembled here from within and outside the EEC have emphasised the technical difficulties of implementing any of the schemes proposed.

The problems are political as well as technical. The basic division is between a West German-backed blueprint based on the present (if depleted) European snake. Under this "parity grid" system, the interrelation of EEC currencies and the obligations of weaker-currency countries would be clearly defined.

The other principal scheme, favoured by France, would define currencies in terms of a flexible European "basket." This would lighten the intervention burden on the weaker-currency countries and increase it on those with stronger currencies.

This scheme is believed to have, on a technical level, the backing of Britain and Italy. M. Rene Monory, the French Economics Minister, and M. Bernard Clappier, governor of the Bank of France, held talks in Bergamo last week with their Italian counterparts in order to rally a joint front.

The Italians are keen to have built into a new scheme the possibility of fairly easy parity changes.

The differences between the French and German versions will be thrashed out on Thursday and Friday in Aachen by President Giscard d'Estaing (backed by M. Clappier) and Chancellor Helmut Schmidt, who between them, have provided most of the impetus behind moves to bring European currencies into line.

Further problems surround the European monetary fund outlined at Bremen and due to be constituted two years after the introduction of a monetary system next year. Questions such as how the fund should be constituted and the conditions under which members might draw on it have still to be resolved.

Weather

UK TODAY

DRY with occasional rain.

London, S.E., Cent. S. England
Dry, sunny intervals. Max. 21C (70F).

E. Anglia, Midlands
Cloudy with rain later. Max. 19C (66F).

E. England, Cent. N. England, N. Wales, N.W. England
Rain spreading from north. Max. 18C (64F).

Channel Is., S.W. England, S. Wales
Cloudy, rain later. Max. 18C (64F).

Lakes, Isle of Man, N.E. England, Borders, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Cent. Highlands, N. Ireland
Rain at first, becoming brighter. Max. 14C (57F).

Moray Firth, N.E. Scotland, Argyll, N.W. Scotland, Orkney and Shetland
Scattered showers. Max. 14C (57F).

Outlook: Mainly dry with sunny periods.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amstrdm.	R	15	59	Madrid	S	30	86
Athens	S	26	79	Manchstr.	C	15	59
Bahrain	S	33	91	Melbourne	C	14	57
Barcelona	F	26	79	Milan	S	26	79
Beirut	S	27	81	Montreal	S	13	55
Belfast	C	14	57	Moscow	R	13	55
Belgrade	R	15	59	Munich	R	15	59
Berlin	S	15	59	Newcastle	F	15	59
Brmghm.	F	16	61	New York	C	24	76
Bristol	F	17	63	Oslo	S	17	63
Brussels	F	16	61	Paris	F	18	64
B. Aires	S	15	59	Perth	C	14	57
Cairo	S	33	91	Prague	R	12	54
Cardiff	S	17	63	Reykjavik	R	8	46
Chicago	C	23	74	Rio de J'o	C	23	74
Cologne	R	14	57	Rome	F	27	81
Copnhagn.	F	17	63	Singapore	R	28	82
Dublin	C	17	63	Stockholm	R	15	59
Edinburgh	C	13	55	Strasbrg.	C	14	57
Frankfurt	R	15	59	Sydney	F	27	81
Geneva	S	17	63	Tehran	S	33	91
Glasgow	C	13	55	Tel Aviv	S	26	79
H. Kong	S	29	84	Tokyo	R	19	66
Jo'burg	C	22	72	Toronto	C	11	52
Lisbon	S	31	88	Vienna	S	17	63
London	S	18	64	Warsaw	R	12	54
Luxembg.	C	12	54	Zurich	F	15	59

HOLIDAY RESORTS

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	26	79	Jersey	F	16	61
Algiers	S	28	82	Las Plms	S	32	90
Biarritz	S	20	68	Locarno	S	22	72
Blackpool	F	16	61	Majorca	S	29	84
Bordeaux	F	19	66	Malaga	S	29	84
Boulogne	F	16	61	Malta	S	27	81
Casblnca.	S	25	77	Nairobi	S	24	75
Cape Tn.	C	17	63	Naples	F	25	77
Corfu	S	25	77	Nice	F	24	75
Dubrovnik	C	24	75	Oporto	S	35	95
Faro	S	29	84	Rhodes	S	24	75
Florence	F	27	81	Salzburg	R	13	55
Gibraltar	F	24	75	Tangier	S	26	79
Guernsey	S	15	59	Tenerife	S	30	86
Innsbruck	R	10	50	Tunis	S	34	93
I. of Man	C	14	57	Valencia	S	29	84
Istanbul	S	24	75	Venice	S	20	68

S—Sunny. F—Fair. C—Cloudy. R—Rain.

Nuclear power protests expected

BY DAVID FISHLOCK, SCIENCE EDITOR

TWO MAJOR nuclear power projects could be the subject of public inquiries, on the same lines as last year's Windscale inquiry, at the end of next year.

The proposed projects are Britain's first fast breeder reactor and first pressurised water reactor, each to produce about 1,300 MW.

Both are expected to draw fierce opposition from the anti-nuclear groups which opposed the plans of British Nuclear Fuels for a new £600m nuclear fuel reprocessing plant at Windscale.

Sir John Hill, chairman of the UK Atomic Energy Authority, said yesterday that the electricity industry would not be ready to present its plans for a public inquiry before the end of next year.

Sir John, who is spokesman for the electricity industry's efforts to prepare a common policy on the next phase of fast breeder reactor development—the first commercial size plant for the UK—said that detailed discussions were taking place between the UK AEA, three electricity generating boards, and the Electricity Council, on the design and the site for the plant.

Sir John said he expected the project to be a joint one, towards which the electricity supply industry would contribute and in which overseas electricity utilities might participate.

The UK AEA and the Central Electricity Generating Board favour the idea of a single inquiry covering both the design and the chosen site, although some people have argued for a generic inquiry first, and others for as many as three public inquiries.

Since a single inquiry would inevitably mean some delay while the outline design is agreed between all parties—including the nuclear inspectors—and a site is chosen, the plans of the CEGB for its first pressurised water reactor (PWR) could catch up.

The CEGB is examining five potential designs of PWR from overseas suppliers, and a sixth possibility of a design modified to its specific requirements—in effect, a "British PWR."

It has chosen the site for its first PWR, and by the end of the year expects to have selected the design.

On this timescale it could be ready to place its plans before a public inquiry—as a novel type of nuclear plant for the UK—towards the end of next year, coinciding with the inquiry for the fast breeder reactor.

In its annual report, released yesterday, the UK AEA says that Britain now obtains more than 15 per cent of its electricity from nuclear stations, a figure which will rise to 20 per cent when the three nuclear stations under construction come fully on-load.

The industry expects the next major assault from anti-nuclear groups to focus upon its plans for dismantling nuclear power stations when they are de-commissioned. It is already being accused of taking no account of the cost into its calculations of the cost of nuclear power.

Sir John said yesterday he considered the £10m a year the CEGB was putting aside for this work was "a very reasonable figure." He denied that it was a problem the UK AEA had overlooked—it had published papers on the possible courses of action.

It also had plans, he said, to dismantle the 33 MW experimental advanced gas-cooled reactor at Windscale in three or four years' time, when its research programme was completed, in order to provide practical experience of the problems.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.